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TREASURY AND POST OFFICE DEPARTMENTS, EXPORT-IMPORT
BANK OF WASHINGTON, AND RECONSTRUCTION FINANCE
CORPORATION APPROPRIATION BILL, 1955

FEBRUARY 16, 1954.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. CANFIELD, from the Committee on Appropriations, submitted the
following

REPORT

[To accompany H. R. 7893]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Treasury and Post Office Departments, the Export-Import Bank of Washington, and the Reconstruction Finance Corporation, for the fiscal year ending June 30, 1955. The bill includes action on all estimates contained in the 1955 Budget for the above-mentioned departments and agencies of the Government, the estimates for which are contained in the 1955 Budget (House Doc. 264, 83d Congress), as follows: for the Treasury Department on pages 890 to 938, inclusive; for the Post Office Department on pages 852 to 863, inclusive; for the Export-Import Bank of Washington on pages 171 to 177; and for the Reconstruction Finance Corporation on pages 190 to 195.

Pursuant to authority granted through reorganization plans and administrative determination many programs in the Treasury and Post Office Departments during the past year have been changed or new programs inaugurated to improve procedures and effect economies or efficiencies, and appropriations previously made available were utilized to carry into effect the new programs. Adjustments have been made to reflect the changes in appropriation accounts, the justifications being presented to the committee on the adjusted pro-

grams indicating necessary adjustments in the appropriation base. To reflect a better comparison of the programs to be performed and expenditures to be made in fiscal year 1955 with the preceding fiscal year comparisons in this report and in the table appearing at the end hereof, where appropriate, will be on the "adjusted" basis.

APPROPRIATIONS AND ESTIMATES

The following tabulation summarizes the amount of the direct annual appropriations recommended in the accompanying bill in comparison with the corresponding budget estimates and 1954 appropriations as adjusted pursuant to authority:

	Treasury Department	Post Office Department	Total
Appropriations, 1954.....	\$612,001,000	\$2,771,731,750	\$3,383,732,750
Estimates, 1955.....	578,783,000	2,760,000,000	3,338,783,000
Bill, 1955.....	577,855,600	2,755,386,000	3,333,241,600
Bill compared with 1954 appropriations.....	-34,145,400	-16,345,750	-50,491,150
Bill compared with 1955 estimates.....	-927,400	-4,614,000	-5,541,400

The total of the regular annual appropriations carried in titles I and II of the bill is \$3,333,241,600, a reduction of \$5,541,400 in the budget estimates for direct appropriation. The amount recommended in the bill is \$50,491,150 less than the amount of regular annual appropriations for 1954 for these Departments. This reflects a recommended appropriation for the Treasury Department of \$577,855,600 with a civil personnel employment of approximately 74,265 average civilian positions, a reduction of 654 average civilian positions below the estimated number for the current fiscal year. Under this appropriation the military personnel of the United States Coast Guard for fiscal year 1955 will be 28,657, a reduction of 5,182 below the current fiscal year.

The recommended appropriation for the Post Office Department of \$2,755,386,000 contemplates the employment of some 516,700 civilian personnel.

TITLE I—TREASURY DEPARTMENT

The Treasury Department is responsible for the administration of permanent indefinite appropriations, which are fixed charges and cannot be reduced, and certain trust funds. The largest of these permanent indefinite charges which falls under the general and special funds category is for interest on the public debt for which \$6.8 billion is budgeted for fiscal year 1955. This reflects an increase of \$275 million above the requirements for fiscal year 1954 for the same purpose. Other permanent indefinite appropriations will be found listed in the table appearing on page 36, reflecting estimates for fiscal year 1955 of \$10,191,602,145 as compared with \$10,258,103,716 for fiscal year 1954, a decrease of \$66,501,571.

Trust funds, which are not a charge against revenue, will be found listed in the table appearing on page 37, reflecting estimates for fiscal year 1955 of \$7,533,526,290 as compared with \$6,715,589,904 for fiscal year 1954, an increase of \$817,936,386.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

The Secretary of the Treasury is responsible for the overall direction and administration of the Treasury's many and varied activities. These responsibilities include the formulation of tax and fiscal policies, the management of the public debt, the collection of revenue, printing of currency, manufacture of coins, the administration of the Coast Guard, Secret Service, and Bureau of Narcotics, and the central management of the Department, which includes the departmentwide budgetary personnel, personnel security, and management improvement programs. To efficiently administer these responsibilities the Office is divided into five activities as follows: Executive Direction; Administration and Coordination of Legal Services; General Administrative Services; Operation and Maintenance of Treasury Buildings; and Emergency First-Aid, the name of the activity indicating in general its responsibilities.

The current year's appropriation of \$2,400,000 provided for 430 average positions but through reorganization some 35.5 average positions were transferred into this activity making 465.5 average positions for the current fiscal year at an adjusted cost of \$2,670,900. The current request is for 454.4 average positions or a decrease of 11.1. With the lesser number of average positions the work of the Secretary's immediate office, his staff assistants, and that of the General Counsel and the Office of Administrative Services will be done. The request for \$2,620,000 will also provide funds for an employees' health program in the District of Columbia, legal services for Treasury organizations which do not have such facilities, a buildings maintenance and operation program, and central administrative services for the staff offices of the Secretary and departmental headquarters.

The committee recommends for this appropriation \$2,600,000 which is a reduction of \$20,000 below the request.

BUREAU OF ACCOUNTS

The functions of the Bureau of Accounts, which have not changed materially since the committee reported to the House of Representatives last year, are administered through two appropriation accounts, the first being "Salaries and Expenses, Bureau of Accounts", and the second "Salaries and Expenses, Division of Disbursement". An appropriation in the amount of \$1,800,000 was made to "Salaries and Expenses, Bureau of Accounts" for the current fiscal year but pursuant to Reorganization Plan No. 26 of 1950 was augmented by additions and reductions reflecting an adjusted appropriation for the current fiscal year of \$2,729,100. The appropriation base for 1955 upon which the present estimate is made is \$2,700,000, a reduction of \$29,100 below the adjusted appropriation for 1954. The request is for \$2,700,000.

The estimated workload for fiscal year 1955 in most activities is about the same as for the current fiscal year, except that in Processing Deposits of Withheld Tax Payments some increase is expected.

The estimated number of average positions of 377 reflects a reduction of 8 at a savings of \$29,100 over the adjusted requirements for the current fiscal year.

The committee recommends for this appropriation \$2,548,700, a reduction of \$151,300 below the amount requested; \$1,300 of the reduction is accounted for due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office. The remaining \$150,000 of the reduction must be accounted for through additional economies and better management.

DIVISION OF DISBURSEMENTS

The appropriation "Salaries and Expenses, Division of Disbursement" for which \$11,000,000 was appropriated for the current fiscal year was, pursuant to Reorganization Plan No. 26 of 1950, reduced to reflect an adjusted appropriation for fiscal year 1954 of \$10,400,000. The appropriation base for 1955 upon which the present estimate is made is \$9,600,000, a reduction of \$540,000 below the adjusted appropriation for 1954. The request is for \$14,600,000, an increase of \$5,000,000 over the base for 1955. The increase is due entirely to Public Law 286, 83d Congress, which requires departments and agencies of the Government to reimburse the Post Office Department for the transmission of official Government-mail matter.

For the past several years there has been a steady increase in the number of payments, number of collections, and number of savings bonds that this Division must process but for the current fiscal year it is estimated some reduction in the number of savings bonds, and for fiscal year 1955 there is an estimated reduction in payments and collections. The average unit cost of processing these items has constantly been reduced from \$0.06332 in 1945 to an estimate of \$0.04997 for fiscal year 1955, the latter figure being exclusive of cost of penalty mail for checks and bonds. The increase in production since 1945 when each employee handled some 39,000 items a year to an estimated 86,000 items during 1955 reflects an increase of over 100 percent.

The actual number of employees for this Division for fiscal year 1953 was 2,734. It is estimated that for the current fiscal year the number will be 2,480, and for fiscal year 1955 2,267. These reductions have been accomplished through increased number of items each employee can process.

The committee recommends for this appropriation \$14,500,000 which is a reduction of \$100,000 below the amount requested. The reduction should be accomplished through lapses in personnel employment and better management.

BUREAU OF THE PUBLIC DEBT

The function of the Bureau of the Public Debt is principally one of service. It issues the securities of the United States, processes transactions involving them while they are outstanding, and effects and records their retirement. During fiscal year 1955 emphasis on the sale of savings bonds will be on denominations of \$50 or higher, thus increasing the upward dollar trend without a corresponding increase

in piece volume. Savings are to be effected by discontinuing the Post Office Department as a sales outlet, except where the local post office in a community is the only source for the purchase of savings bonds. Other savings are anticipated by reducing the fees paid to agents authorized to redeem series E bonds, and by revising the method of printing savings bonds.

Prior to fiscal year 1954 currency unfit for further circulation were forwarded to this Bureau for audit and destruction. During the current fiscal year the operation has been in the process of reorganization whereby redeemed United States currency will be verified and destroyed by the Federal Reserve banks. Effective with fiscal year 1955 the reimbursements for this function will become a responsibility of the Office of the Treasurer. Further comment concerning this function will be found in the paragraph dealing with the Office of the Treasurer.

The appropriation for "Administering the Public Debt" for the current fiscal year was \$50,000,000. Through transfers pursuant to Reorganization Plan No. 26 of 1950, and by reductions in each activity of the Bureau the appropriation base for 1955 became \$43,697,396. (See page 152 of the hearings.) The request herein is for \$45,400,000, an increase of \$1,702,604 over the base. The increase is a result of the agency having to reimburse the Post Office Department under the requirements of Public Law 286, 83d Congress in the amount of \$1,104,300; and a requirement of \$258,440 to reimburse the Federal Reserve banks for estimated rise in redemptions of maturing Series F and G bonds, and to pick up the load formerly carried by the Post Office Department in the sale of savings bonds.

The committee recommends for this appropriation \$44,997,300 which is a reduction of \$402,700 below the amount requested; \$2,700 of the reduction being due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office. The \$400,000 reduction should be accomplished through a revised method of printing savings bonds.

OFFICE OF THE TREASURER

The Office of the Treasurer is essentially a service organization the responsibility of which is to handle, as a banking facility, the day to day business of the nation. Neither the volume of services nor the time limitations imposed on the performance is controllable by the Treasurer but in aid to the economy of the country must be promptly and efficiently performed.

The appropriation for this Office for the current fiscal year was \$17,000,000. Through reductions and additions made pursuant to proper authority that amount was reduced to \$15,600,000 as the appropriation base for 1955, this amount being requested herein. The largest reduction from the current year's appropriation to form the 1955 base, in the amount of \$1,922,700, was in the Procurement and Transportation of United States Currency. Funds requested for this activity represent requirements to reimburse the Bureau of Engraving and Printing for the cost of manufacture of paper currency, estimated at \$10,292,000, and an estimated \$337,300 to cover costs, other than salaries, incurred in the transportation of currency to and

from the Federal Reserve banks and depositories, and expenses incident to such transportation. These funds it is estimated will provide for the purchase of 1,275 million notes as compared with an estimated 1,467 million during the current fiscal year. Based upon current estimates it appears that with a production of 1,275 million notes during 1955 will require the withdrawal of some 125,000 notes from reserve stocks during the year, leaving at the end of the year a lesser reserve than at the beginning. Production costs at the Bureau of Engraving and Printing have been reduced through technological improvements in the production processes.

The major increase to the current year's appropriation, in the amount of \$400,000, is in the account for the Retirement of Currency. Last year when the proposal to decentralize the verification and destruction of unfit United States currency was recommended the committee was advised that the verification and destruction would be performed by the Federal Reserve banks at no cost to the Government thus saving the cost of such work and the transportation of the currency to Washington, D. C., for verification and destruction. It now appears that it will cost \$400,000 per annum to perform this service with only 5 percent of the total volume being verified, indicating that the recommendation to decentralize this work was made prematurely and without complete information as to costs. It is suggested that this matter be given an impartial review in order to determine the best means of performing this responsibility having in mind the efficiency and thoroughness of the work, as well as the security and cost thereof to the Government.

The committee recommends for this appropriation \$15,499,000 which is a reduction of \$101,000 below the amount requested; \$1,000 of the reduction is due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office. The remaining reduction of \$100,000 should be accounted for through better management of the various activities of the Office.

BUREAU OF CUSTOMS

The Bureau of Customs collects the duties and taxes on imported merchandise, inspects all international traffic, regulates certain marine and aircraft activities, combats smuggling, undervaluation, and frauds on the customs revenue, and performs related functions in connection with the importation and exportation of merchandise.

The Customs Simplification Act of 1953 was enacted during the current fiscal year which, it is reported to the committee, has permitted many simplifications in procedures to be placed in effect. Other simplified procedures are in the planning or testing state to be placed in effect as soon as practicable. One provision of the Act permits selective verification of entry liquidations by comptrollers of customs thus releasing manpower which is being used to reduce the present huge backlog of unliquidated entries in the collectors' offices. Other procedural changes permitted by the Act include the simplification of procedures involved in processing American goods returned; simplified requirements with respect to the processing of tourists entering from foreign countries; the elimination of the need for filing amended

entries when the value found by the appraiser is higher than that shown on the original entry; and selective inspection of passengers' baggage.

The Customs Service serves in a dual capacity, that of collector of revenue and of law enforcement. In the capacity of collector of revenue for the last complete fiscal year, 1953, collections were almost \$830 million at a cost of approximately 5 cents for each dollar collected. In its enforcement activity it aids in the enforcement of laws governing smuggling of narcotic drugs and marihuana, the smuggling of diamonds, the smuggling of birds of the psittacine family, and the smuggling of arms, ammunition and implements of war.

The workload estimated for the coming fiscal year appears to be relative constant with slight increases in some areas. The average number of positions required to perform the work is decreased from 7,630.9 as shown for the appropriation base for 1955 to 7,556.9, a reduction of 74.

The appropriation for the Bureau of Customs for the current fiscal year was \$40,500,000. Through adjustments in all of the activities made pursuant to authority the appropriation base for 1955 became \$40,000,000 (see page 421 of the hearings), the amount that is requested herein. No funds are included in the request for such items as penalty mail costs incurred pursuant to Public Law 286, 83d Congress, or within-grade promotions. It is contemplated that such costs will be absorbed from funds saved from the various activities.

The committee recommends for this appropriation \$39,996,300 which is a reduction \$3,700. No reduction in any of the programs is contemplated, the reduction being due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office.

INTERNAL REVENUE SERVICE

The Internal Revenue Service is responsible for determination, assessment, and collection of all internal revenue taxes; enforcement of internal revenue laws; refunding or crediting of any overpayment of tax or erroneous collection; and preparation and distribution of instructions, regulations, forms, and stamps. It is also charged with certain duties under statutes that do not impose taxes, but which are directly related to internal revenue, such as the Federal Alcohol Administration Act, as amended, the Liquor Enforcement Act of 1936, and the Federal Firearms Act. During the past year some basic functional realignments have been made which will make it possible to determine activity costs and assignments more precisely than heretofore as the time of employees will not, in the future, be divided between several activities.

The workload of this Service for the past several years has increased continuously and to a greater extent than has been the increase in the number of employees. Collections have increased many times more than either the workload or the number of employees. This is due to the prosperity of the nation and the new revenue laws enacted with a view to raising more revenue.

Information presented to the committee indicated that under a proper organization and an increase in the number of trained revenue

agents and collection officials a greater amount of revenue could be collected. The Service has been under reorganization for some time with considerable progress having been made during the past year. It now appears the Service will soon be so organized as to be ready to add additional personnel and take advantage of the opportunity to collect additional revenue far in excess of the cost of the additional personnel. The question then presented is the recruiting of trained personnel in sufficient numbers to meet the requirements. The Service has requested in the present bill authority to use not to exceed \$400,000 of the funds provided herein for the purpose of training certain of the employees of the Service to enable them to meet requirements and improve the Revenue Service. Justification for the use of these funds for training purposes will be found on page 610 of the hearings. The committee looks with favor upon this approach to the problem and recommends language to permit the use of not to exceed \$400,000 for the purpose. The qualifications of a good revenue agent or a good collection official are high and not readily available as has been discovered by the Revenue Service in attempts to recruit additional personnel. The committee is of the opinion that a classification grade of GS-7 for collection officers, and GS-9 for revenue agents is not adequate for the type of work they are expected to do and not sufficient to hold qualified employees. It is believed that consideration should be given to a higher classification for the type of work required of these employees.

The appropriation for the current fiscal year is \$266,000,000, the same as requested herein. At the time the appropriation requests for the current fiscal year were being considered it was contemplated the amount would provide an average employment of 54,297.7. The enactment of Public Law 286, 83d Congress, requiring Executive agencies to pay the cost of penalty mailings placed a burden of \$3.6 million upon the Internal Revenue Service for fiscal year 1954 not contemplated at the time the appropriation request was before the Congress. It is contemplated that a supplemental request for the \$3.6 million will be submitted to the Congress at an early date. Penalty mailings during fiscal year 1955 are estimated to cost \$4 million and no funds for the payment of this cost are included in the instant request. Unless a supplemental request is submitted at a later date this amount must be absorbed from savings made in other areas of the Internal Revenue Service activities. It was pointed out, however, that the General Services Administration is to provide space at a rental cost to General Services Administration of \$2.4 million which, in effect, will leave a balance of only \$1.6 million to be absorbed by the Internal Revenue Service.

The request for \$266,000,000 for fiscal year 1955 contemplates the employment of 53,465.1 average positions, a reduction of 832.6 below the number for which funds were provided for the current fiscal year. It must be pointed out, however, that the estimated number of 54,297.7 average positions for the current fiscal year has not been reached due to the fact that it has not been possible to recruit qualified personnel to fill all positions. It is now believed that with a new civil service register available it will be possible to obtain the additional personnel which will mean that the number of revenue producing personnel for fiscal year 1955 will be approximately 1,500 more than during the current fiscal year. This will be accomplished,

in part, through decentralization from the Washington office and by giving employees in the field authority to make determinations on many transactions that have heretofore been routed into the Washington office. The number of positions in the Washington office has been reduced by some 901 positions, the persons employed in such positions being given an opportunity to transfer to the field where their services could be utilized. The estimates for fiscal year 1955 include funds for 650 additional revenue agents.

The committee is encouraged by the aggressive attitude of present officials of the Internal Revenue Service and wish to encourage them in improving the service to provide a better enforcement of the revenue laws.

The committee recommends for this appropriation \$265,912,000 which is a reduction of \$88,000. No reduction in any of the programs is contemplated, the reduction being due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office.

BUREAU OF NARCOTICS

The Bureau of Narcotics is charged with the investigation, detection, and prevention of violations of the Federal narcotic and marihuana laws, and of the Opium Poppy Control Acts and related statutes, including the administration of the permissive features of the Narcotic Drugs Import and Export Act. During the present year attention has been directed primarily to the elimination of sources of supply and to apprehension of interstate and international wholesale narcotic traffickers. Some progress has been made in reducing the illicit drug traffic and such a trend is encouraged by the imposition of heavier penalties by the Courts. To suppress the smuggling of heroin, the favorite drug of most addicts, which is not manufactured in the United States, it is necessary to continue investigations, surveillance and negotiations in foreign countries. The cost of heroin is gradually increasing, necessitating increased expenditures by the Bureau for the purchase of this drug for use as evidence. The admission of addicts under 21 years of age to the United States Public Health Service Hospitals at Lexington, Kentucky, and Fort Worth, Texas, has decreased each year since 1950 from 440 in that year to 245 in 1952 and further to 119 for the first 10 months of 1953. It further appears there is a reduction of narcotic offenders in this age group in most of the principal cities of the United States.

The workload appears to be relatively constant with only slight estimated increases. The number of cases pending for investigation at the close of fiscal year 1953 was 8,225. During that year 50,437 cases had been disposed of. It is estimated there will be pending for investigation at the close of the current fiscal year 8,725 cases, this estimate being based upon an estimated disposition of 50,000 cases during the year. This would be 437 cases less than were disposed of during the preceding fiscal year. The estimate anticipates 9,225 cases pending for investigation at the close of fiscal year 1955 based upon dispositions of 50,000 during that fiscal year.

The appropriation for the Bureau of Narcotics for the current fiscal year was \$2,790,000. The request for fiscal year 1955

is in the amount of \$2,770,000, a reduction of \$20,000. This is accounted for by the transfer of a technical position to the Office of the Secretary, \$12,200; the transfer of the account for rent at Honolulu to General Services Administration, \$1,920; and a reduction in travel expenses of \$5,880.

The committee recommends for this appropriation \$2,770,000, the amount requested.

UNITED STATES SECRET SERVICE

The basic functions of the United States Secret Service include the protection of the President of the United States, the members of his immediate family, the Vice President, at his request, and the person chosen to be President at all times and under all conditions; the detection and arrest of persons engaged in counterfeiting, forging, or altering of any of the obligations or securities as well as coins of the United States and foreign governments; and investigations of personnel, Tort Claims, and other non-criminal cases as directed by the Secretary of the Treasury.

The appropriation for "Salaries and Expenses, United States Secret Service," for the current fiscal year as carried in Public Law 73—83rd Congress was in the amount of \$2,500,000. Through curtailment of expenditures for the average employment of 9 agents and 4 supporting clerks the requirement was reduced by \$57,000; and a further reduction of \$20,000 resulted from the non-recurring cost of 20 passenger motor vehicles purchased in 1954 for replacement of worn out automobiles. An additional requirement of \$3,000 resulted from the enactment of Public Law 286, 83rd Congress requiring government agencies to reimburse the Post Office Department for the transmission of penalty mail. Thus the base for appropriation for fiscal year 1955, adjusted pursuant to authority, became \$2,426,000. In addition to this amount an additional \$12,000 is requested for the procurement of 10 automobiles which are for replacement purposes only, making the total request for fiscal year 1955 \$2,438,000, a reduction of \$62,000 below the appropriation for the current fiscal year.

The request contemplates a reduction in personnel of 13 average positions, 9 agents and 4 supporting clerks. In view of the constantly heavier workload the committee feels that before personnel reductions are recommended in this Service serious consideration should be given to the currency of the workload, whether it requires overtime to perform it, and the effect such reduction would have on the morale of the agents. It was pointed out in testimony before the committee that for several years personnel of this Service has performed thousands of hours of uncompensated overtime and forfeited many days of annual leave; that during the last completed fiscal year agents voluntarily worked 80,000 hours of uncompensated overtime, and forfeited 1,042 days of annual leave. By working the many hours of uncompensated overtime agents were able to consider and close an average of 14 cases per month per agent. Yet as of November 30, 1953, there was on hand an average of 62 pending cases per agent based upon the 200 agents doing investigative work at that time. The estimate for fiscal year 1955 recommends a reduction of 9 agents, leaving 191 to process the backlog of work amounting to approximately 16,600 at the end of the current fiscal year and some 38,800 estimated

to be received during fiscal year 1955, or a total of more than 55,000 cases. Thus to perform the estimated workload during fiscal year 1955 each agent would have to complete approximately 24 cases per month. To consider and complete only the number of cases estimated to be received during fiscal year 1955, without touching the cases pending at the close of the current fiscal year, would require each agent, working overtime, to complete approximately 17 cases per month. The Chief of the Service has stated to the committee on several occasions that an average caseload should not exceed 15 cases per agent per month to permit expeditious and thorough attention to all matters. Such a workload would require that each agent complete 1 case more per month than actual experience indicates is possible. The work of Secret Service agents is not such that it can be performed on an eight-hour five-day week basis, yet the practice of permitting or requiring so much uncompensated overtime over a long period of time is questionable and does not have the approval of the committee.

The number one responsibility of the Secret Service is the protection of the President and agents are called upon from time to time to perform this responsibility. During the period of high popularity of the President fewer protection cases are received which explains the receipt of only 1,633 such cases during the past year. However, this does not suggest or permit of any relaxation of security and protection of the President and even though the Service may have fewer agents during fiscal year 1955 this number one responsibility must not be neglected.

In connection with travel by the President, agents are required to make advance security arrangements and to accompany him and provide proper protection at all times. Often in connection with this work they are required to acquire accommodations in the better hostels at a personal financial loss to the agent. The committee does not look with favor upon such an arrangement and suggests that steps be taken that will provide agents their out-of-pocket expense when on assignment to presidential travel. Consideration might be given to paying such expenses from funds provided for presidential travel and not from funds normally used for per diem and travel allowance to the Secret Service.

The committee insists that the protection of the President of the United States must at all times be most adequate, and in recommending for appropriation the amount \$2,438,000, as requested, does so with the reservation that consideration will be given to the matters above referred to before presenting budget requests for fiscal year 1956.

WHITE HOUSE POLICE

Funds requested under this appropriation are for expenses necessary to maintain the permanent police force for the protection of the White House and grounds, including personal services, uniforms and equipment and arms and ammunition and miscellaneous supplies made in the manner the President may determine, for the protection of the Executive Mansion and grounds.

The regular appropriation for the current fiscal year of \$630,000 was augmented by a supplemental appropriation of \$100,000, making a total for the current fiscal year of \$730,000. To arrive at an appro-

priation base for fiscal year 1955 of \$712,000, which amount is requested, a reduction of 4 average positions at a cost of \$18,000 is recommended in the budget request. This would provide for 138 average positions or 4 less White House Police (one post coverage) than required for the current fiscal year.

This activity concerns the protection of the Executive Mansion and grounds and involves control of official visitors and sightseers which average some 4,000 per day for a five-day week. White House Police are frequently confronted by disgruntled and mentally unbalanced persons who desire to see the President; and groups appear from time to time to protest some Government action or proclaim their cause, some of them having known subversive affiliations. It is closely allied with the personal protection of the President and his family while in residence at the White House.

The committee notes with a little concern that the reduction of 4 police officers will eliminate the operation of 1 post from the protection of the Executive Mansion and grounds and the personal protection of the President and his family. It is not the purpose of the committee to effect economies here at the expense of a proper protection of the President and his family, or the White House but relying upon the judgment of those responsible for the submission of the request accept that judgment and recommend for appropriation \$712,000.

GUARD FORCE

The appropriation for "Salaries and Expenses, Guard Force," is for the purpose of providing protection of currency, bonds, checks and other Government obligations in the Main Treasury Building and its Annex in Washington, D. C. The request for \$268,000 reflects a reduction of \$107,000 below the current year's appropriation of \$375,000. \$100,000 of the reduction is due to the transfer of activities to the Bureau of Engraving and Printing July 1, 1953 under authority vested in the Secretary of the Treasury by Reorganization Plan No. 26 of 1950; and \$7,000 to curtailment of expenses for personal services by reducing the average employment of 2 guards.

The committee was advised that all necessary security and protection could be given the property and its contents under the reduced request. Upon such assurance the committee recommends an appropriation of \$268,000.

BUREAU OF THE MINT

The appropriation for "Salaries and Expenses, Bureau of the Mint" provides funds for financing the manufacture of coins; receipt of deposits of gold and silver bullion; safeguarding of monetary metals and coins held by the Government; and the refining of gold and silver bullion. The major activity of the Bureau is the manufacture of domestic coins, the quantities of which are determined by the public need for coins and distributed through the Federal Reserve Banks in quantities required for the country's business transactions.

The appropriation for the current fiscal year is \$4,700,000. Through reductions and additions made pursuant to authority the base for fiscal year 1955 is \$4,500,000, the amount requested, which reflects a reduction of \$200,000 below the 1954 appropriation.

Testimony presented to the committee indicated a small reduction in the cost of producing coins due principally to further mechanization of the operation and improved management procedures. A further reduction in such costs would result from modernization of the Philadelphia and San Francisco mints, it being testified that the cost of producing coins at the modern Denver mint was approximately one-half that of the cost at the other mints. No request for funds to make such modernization is made in the estimates herein.

Prior to December 1, 1953 the delivery of coins from the Mints to the Federal Reserve Banks has been directed by the Office of the Treasurer of the U. S. and charged to the seigniorage accounts, and shipments between banks has been a charge to the appropriation "Contingent Expenses, Public Monies". Subsequent to December 1, 1953, pursuant to Treasury Department Order No. 179, the responsibility for first-hand information in regards bank inventories and coinage requirements has been that of the Bureau of the Mint with all transportation costs in connection with shipments either from the Mints to the Federal Reserve Banks, or between banks being charged to the seigniorage accounts.

The workload of the Bureau is indicated by the coinage production and requirements during recent years. During fiscal year 1953 1.6 billion coins were produced. All of these coins plus 103 million pieces were requisitioned during that fiscal year, leaving in reserve at the end of the year approximately 140 million pieces. So far during the current fiscal year the demand has been slightly greater than last year's output during the same period and the Mints are delivering coins to the Federal Reserve Banks as fast as they are turned out, but still some orders remain unfilled. The program for the current fiscal year calls for the manufacture of 1.6 billion pieces, and for fiscal year 1955 1.5 billion pieces. This, based upon present demands or requisitions for coins, would appear to be insufficient to meet the requirements of the nation's business transactions. A witness upon being questioned upon the sufficiency of the program for production of coins stated that the average requirements for coinage fluctuates, and the average for the last several years has been around 1.5 billion coins, so with a production of 1.5 billion pieces during fiscal year 1955 they hoped to get by.

The committee recommends for this appropriation \$4,450,000 which is a reduction of \$50,000 from the amount requested.

UNITED STATES COAST GUARD

The Coast Guard enforces maritime law, provides for limited security of ports and waterfront facilities, saves life and property, provides navigational aids to maritime commerce in navigable waters, promotes the efficiency and safety of the American Merchant Marine, and contributes to military readiness as a part of the Navy in time of war or national emergency. The functions of the Coast Guard are performed under four appropriation requests, (1) Operating expenses; (2) Acquisition, construction, and improvements; (3) Retired pay; and (4) Reserve training.

The estimates provide for a military complement of 28,657 officers and men, a reduction from the current fiscal year of 5,182, at a cost of \$103,353,858, a reduction in dollars of \$15,393,715 in military costs

below the current fiscal year cost. It provides for 4,006 average civilian employment which reflects a reduction of \$22, at a cost of \$16,749,782, a reduction in dollars of \$2,734,988 in civilian costs below the estimated costs for the current fiscal year.

OPERATING EXPENSES

The appropriation request for "Operating expenses, Coast Guard" is divided into five activities which will be subsequently discussed. The overall request of \$155,900,000 reflects a reduction of \$32,350,000 below the appropriation for the current fiscal year.

The most pronounced program change in the Coast Guard operation relates to ocean weather stations. At the beginning of the current fiscal year 10% ocean weather stations were in operation and the appropriation contemplated the continuation of that number. As a part of the general effort to reduce Federal expenditures it is recommended that the number be reduced to 5%. (By $\frac{2}{3}$ of a station is meant that the station is operated $\frac{2}{3}$ of the time by our nation and $\frac{1}{3}$ of the time by some other country.) In addition to the reduction in the number of stations it is proposed to have the Department of Defense request and obtain the funds necessary to carry on the operation as a military need and then transfer the funds to the Coast Guard to be used for the ocean weather station program. The committee is concerned about this procedure.

With relation to these proposed changes in program the committee was informed that discussions were held by United States agencies with civil air transportation companies relative to the air lines sharing the cost of benefits. It is reported that the air lines took the position that although the ocean weather stations were beneficial to their operation they were not an essential requirement. It was contended by the air lines that the equipment, speed and range of the civilian transport planes had made the existence of the ocean weather stations less necessary. Moreover, the air lines operating certificates from the Civil Aeronautics Administration do not require the use of the weather stations for safety or other operating reasons. Consequently the air line companies were not inclined to accept user charges for the stations services, although some benefits were acknowledged. While this position was taken by the air line companies the Airline Pilots' Association protested the decision to withdraw without first consulting them, and without devising some sort of substitute to take the place of the ocean weather stations. Members of the committee who attended a seminar and training demonstration of search and rescue activities at sea where numerous representatives of aviation interests were present were impressed at the statements of representatives of those interests to the effect of the importance of the weather station and search and rescue activities to their operation.

Subsequent to the discussions above referred to the committee is advised that the Joint Chiefs of Staff approved a recommendation to the effect that there was a present military need for 5% stations (3% in the Atlantic and 2 in the Pacific). When the Coast Guard was called upon to program this number of stations and submit the estimated cost of the operation they submitted a cost of \$15,675,000. Subsequent to that time the Treasury Department received a letter from the Department of Defense (see page 454 of the hearings)

stating that "The amount of \$15,675,000 has been added to the Navy budget" for this purpose. There now appears in the Navy budget under the appropriation "Ships and facilities, Navy" a footnote which says, "Includes \$15 million for reimbursement to United States Coast Guard, Treasury Department, for operation of ocean stations formerly operated under "Operating expenses, Coast Guard".

The services rendered by the ocean weather stations include weather forecasting, local and high-level for all aircraft in the area as well as observation for the Weather Bureau, from certain positions in the ocean; search and rescue at sea and assistance to people in distress at sea beyond that which could be done if there were no ocean stations; provide communication facility to transoceanic aviation; provide ocean flyers navigation check points, and beacons for directional purposes. In addition these stations continually man radars and should an unidentified or hostile plane enter the area it would be reported.

One of the primary functions of the Coast Guard is that of search and rescue which prior to the age of aviation was conducted mostly along shores and in inland waters. With the advent of ocean flying aircraft this responsibility increased and all vessels now assigned to ocean weather stations are also used in search and rescue work while on station, and when going to or from station, and this responsibility is not to the military alone. It would be uneconomical for these ships to do nothing but ocean station work for the military alone and at the same time have another group of ships do nothing but the statutory requirement of search and rescue duties.

It remains quite clear that the ocean weather stations will continue to serve both military and civilian traffic. No greater catastrophe could happen to a passenger carrying civilian airplane than to be forced down at sea near an ocean weather station and have that station refuse to give aid because it is there only for military purposes. Such service will not be denied a civilian plane, neither will weather information gathered by the station or any of the other services heretofore rendered by the ocean weather stations be denied civilian air craft, which discloses that as long as the ocean weather stations are in existence they are there to serve all purposes.

For the reasons indicated and many others this committee is very concerned about the change in this program and the assigning of budgeting for it to the Department of Defense. It is felt that the agency having responsibility for an activity, and particularly when that activity is not solely required by one agency but serves more than one agency or responsibility of government, the agency performing the work is better qualified to present the requirement than another agency even though that other agency has an interest in the activity. The committee has not at this time recommended that the funds for the ocean weather stations be returned to the Coast Guard but feel that when the matter is given further consideration that such change will be made and subsequent requests for funds will be carried in the request of the Coast Guard.

Search, rescue, and law enforcement.—Under this activity request is made for \$91,198,520 to maintain vessels, lifesaving stations, and aircraft at strategic points along the coast and inland waterways; operate an international ice patrol and ice observation service in the North Atlantic Ocean, perform ice breaking on inland lakes, rivers, and canals and in harbors on the Atlantic Coast; administer laws and issue

regulations on inspection and safety equipment of merchant vessels; the licensing and certification of Merchant Marine officers and crews; review plans for construction or alteration of merchant vessels; investigate marine accidents; hold hearings on disciplinary cases; provide instruction in the principles and practices of safe navigation; and sponsors the Coast Guard Auxiliary, a voluntary organization of boat owners who assist in time of distress. The request for fiscal year 1955 is an increase of \$1,066,483 over the appropriation base, \$936,189 of which is to provide a more adequate level of maintenance of vessels, aircraft and shore units, normal maintenance of which was reduced in 1954; and \$130,294 of which represents an increase in the indirect expense prorated to this activity.

The cost of 15 major cutters is not included in the total for this activity although the vessels involved are part of the search and rescue program. These ships will be treated as part of the 17 vessels required for the operation of 5% ocean stations for which a military requirement has been established, and for which the Department of Defense is to provide reimbursement. The ocean station vessels will continue under the operational control and direction of the Coast Guard and thus serve a dual purpose in being available to assist the Coast Guard in the discharge of its basic search and rescue functions.

Expanded search and rescue coverage in the Pacific at Wake Island, Guam, Midway, Sangley Point, P. I., and Adak was discontinued by the Coast Guard in December 1953 resulting in reduced requirements of 11 aircraft and 5 vessels.

Operation of aids to navigation.—Request for this activity is made in the amount of \$55,018,713, which reflects an increase of \$1,084,202 over the appropriation base. Funds under this activity are used for the operation and maintenance of buoys, lighthouses, lightships, fog signal stations, radiobeacons, and loran stations in the navigable waters of the United States, its Territories, and military bases overseas. \$840,960 of the requested increase is to provide a more adequate level of maintenance of aids to navigation units, the maintenance of which was reduced in 1954; and \$243,242 represents indirect expense prorated to this activity.

Port security.—The \$8,182,767 requested for this activity reflects an increase of \$46,257 over the appropriation base, and is for the purpose of controlling anchorage areas; supervising the loading and unloading of dangerous cargoes; and screening of merchant seamen and longshoremen. Since 1951 critical waterfront areas have been patrolled but the program for fiscal year 1955 contemplates the discontinuance of shore side patrol except for spot inspection of waterfront facilities and checking personnel entrance to restricted areas; and the supervision of loading and unloading of cargoes will be limited to explosive cargoes only. A decrease of \$6,772 is provided in the indirect expense prorated to this activity, leaving \$53,029 as an increase to provide a more adequate level of maintenance of port security facilities, maintenance of which was reduced in 1954.

The indirect expenses to which reference has previously been made relate to the cost of headquarters in Washington, D. C.; district offices; the Academy, New London, Connecticut and other supporting

units which serve the three primary activities. Also expenses such as persons in transit, in hospitals, in training, travel expense, recruiting expense; testing and development. An amount of \$57,212,897 is included in the requested appropriation for this purpose and will be prorated to the primary activities in proportion to the expense charged directly to each primary activity.

Lay-up program.—As a result of the present program which proposes the discontinuance of three ocean stations in the Pacific and the expanded search and rescue program in the western Pacific, 11 vessels and one patrol boat are being laid up during 1954, and requirements have been reduced by 11 aircraft. The 1955 program will permit a reduction of 4 vessels from the ocean station program in the Atlantic. The lay-up program will be carried out over a four-months' period by using the ship's crew to expedite deactivation, but a part of the crew will be released each month to minimize lay-up costs. \$1,500,000 is requested for this program.

The committee recommends for this appropriation \$181,164,300 which is a reduction of \$10,700. No reduction in any of the programs is contemplated, the \$10,700 reduction being due to the fact that the Government Printing Office subsequent to the time the budget request was prepared indicated some reduction in the cost of printing and reproduction work in the central plant of that Office.

BUREAU OF ENGRAVING AND PRINTING

The Bureau of Engraving and Printing designs, manufactures and supplies all major evidences of a financial character issued by the United States. It is the sole source of United States currency and Federal Reserve notes, certificates of indebtedness and United States bonds, as well as most of the minor evidences of a financial character issued by the United States, such as postage, internal revenue, custom and savings stamps. It provides Federal transportation requests, checks, commissions, certificates, permits, warrants, etc. It also executes certain printings for the Governments of insular possessions (particularly bonds, postage and internal revenue stamps). It conducts an extensive research and development program; manufactures for its own use ink and glue, purchases materials, supplies and equipment; rebuilds or constructs plant machinery and maintains its buildings; and stores and ships its products. The operations of the Bureau are financed by means of a working capital fund of \$3,250,000, which is reimbursed from appropriations made to other Government agencies for the procurement of services or goods furnished to such agencies.

The budget estimates for the Bureau are determined by the volume of production of the various items of manufacture, and the unit cost of manufacturing each type of item. The volume requirements are based upon estimated needs submitted to the Bureau by the agencies served, and the unit cost is developed through a detailed system of cost accounting and is adjusted to reflect all known factors which affect the cost of production.

A few months ago a most regrettable theft of currency occurred at the Bureau of Engraving and Printing. Fortunately the theft

was promptly discovered and most of the funds have been recovered and the culprit apprehended. An account of the facts surrounding the theft will be found beginning on page 270, and again beginning on page 349 of the hearings.

LIMITATIONS AND LEGISLATIVE PROVISIONS

(Treasury Department)

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill and are recommended by the committee:

On page 3, line 10, in connection with the appropriation title "Office of the Treasurer, Salaries and Expenses":

Provided, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the verification and destruction of unfit United States paper currency.

On page 4, line 11, in connection with the appropriation title "Internal Revenue Service, Salaries and Expenses":

Provided, That not to exceed \$400,000 of the amount appropriated herein shall be available for expenses by contract for private facilities and instruction for training of employes under such regulations as may be prescribed by the Secretary of the Treasury.

On page 8, line 7, in connection with the appropriation title "Coast Guard, Acquisition, Construction, and Improvements":

Provided, That the Secretary may transfer into this appropriation not to exceed \$2,000,000 from other Coast Guard appropriations for the replacement of one additional seaplane, such funds transferred to remain available until expended.

TITLE II—POST OFFICE DEPARTMENT

GENERAL STATEMENT

The jurisdiction and functions of the Post Office Department were described in the report of the committee last year when consideration of the appropriation request for fiscal year 1954 was under study. Its duties are to deliver all mails, and perform all related services including the sale of money orders and provide for postal savings. Its stated program is to improve service, reduce costs and decrease deficits. The committee approves of such a program. For the past several months the Department has been in the process of reorganization, only portions of which have been completed. Reorganization will be continued under the program presented to the committee during the hearings.

New legislation providing for an additional Assistant Postmaster General was passed under which a Bureau of Personnel has been created. This Bureau has introduced a merit system in selecting supervisors; and a survey of wages and salaries in all branches of the service is being undertaken under a contract with a firm of management engineers, the results of which will be of interest to the Congress.

The estimates submitted to the committee indicate a continued increase in postal business. On the basis of revenue the increase is 4.27 percent over 1954; of obligations a decrease of .32 percent; of volume an increase of 3.14; and of manpower a decrease of .22 percent. These percentages are significant and appear to indicate that through more efficient operations economies have been effected in the number of man-hours required under new standards, greater efficiency, and closer contacts with and direction of employees. A study has been introduced in a number of offices to obtain more information in the operations of mail handling and it is reported that the study has shown that increased efficiency can be obtained through the establishment of what constitutes a reasonably fair, honest day's work. The study is based not only on individuals but in groups containing all age brackets, male and female, and different types of individuals so that the analysis will take into account every work factor and reflect a fair and representative standard to work by.

The budget requests for fiscal year 1955 are on a slightly different basis than the requests considered last year. During the presentation last year the Postmaster General indicated to our committee that in the interest of efficiency and economy the headquarters in Washington would be reorganized; that authority over post office operations would be delegated to regional field managers; that there would be consolidations in post offices and rural routes; that a modern personnel program would be installed; that the budget structure would be modernized; that the accounting would be reorganized and a system for producing accurate and timely statements and operating control reports would be installed; that savings through cost control in the use of manpower would be effected; that research on methods and equipment would be accelerated; that all means of transportation would be used as flexibly as possible in order to give patrons better service at less cost; that the physical plant and equipment would be modernized; that there would be established a Division of Rates; that relations with the public would be improved; and that the Department would not only reduce the deficit but would improve the service. The Postmaster General reports to the committee this year that substantial progress has been made towards the goals set. It is pointed out that later collection service has been instituted in 272 cities; that window service has been extended; curbside mail boxes installed; increased the practice of allowing air lines to transfer mail on the ramp at airports has been increased; and the campaign to persuade major users to segregate their local from non-local mail before sending it to the office has been getting impressive results. These are major accomplishments, and it is pointed out constitute the beginning of a "retooling" period.

Additional installation of conveyor equipment and other kinds of mechanization will be required to effect further economies. In some instances mechanization in mail handling work is in the development stage, in other instances the development has reached an advance stage in industry but the Department does not have a physical plant capable of using it. The increase in mail volume over the past several years

since there has been any federal building program giving the Department additional postal space has created a critical lack of adequate space for an efficient and mechanized operation.

The operation of the postal service is financed from postal revenue, with the Treasury Department meeting any deficit. The amount of the request submitted in the 1955 budget estimates is \$2,760,000,000, the estimated revenues \$2,431,000,000, reflecting an estimated deficit of \$329,000,000. The estimated deficit compares with an estimated deficit for the current fiscal year of \$437,000,000.

During the current fiscal year revenues of the Department have been increased through an increase in postal rates and through the enactment of legislation requiring Departments and Agencies of Government to reimburse the Post Office Department for the transmission of official Government-mail matter. The increased rates will be in effect for the full fiscal year 1955 while they were in effect only a part of fiscal year 1954. Funds to cover air mail subsidies were estimated for in the requirements for the current fiscal year and total payments of \$20,163,750 were made by the Post Office Department to the Civil Aeronautics Board for the first quarter of fiscal year 1954. No funds are included in the request for 1955 for this purpose.

The estimated revenues for the current fiscal year are \$2,332,000,000, and present estimated obligations are \$2,769,000,000, reflecting a decrease of \$9,000,000 in obligations for 1955. As is pointed out by the Postmaster General, "actually the estimate is higher on a comparative basis by approximately \$25,400,000". The difference is reconciled by the fact that during the first quarter of fiscal year 1954 the Post Office Department made subsidy payments in the amount of \$20,163,750 before transfer to the Civil Aeronautics Board but no part of the estimate for 1955 includes any funds for this purpose. Also, the 1954 estimates included \$14,032,000 for the payment of indemnities for the loss of mail, for the payment of unpaid money orders over one year old, and for the procurement of stamped envelopes. The present submission provides authority to use current receipts for these items and accordingly money therefor is not included in this submission. Thus, the estimates for 1954 include \$34,195,750 which is not in this submission, and reflects a difference or increase of \$25,465,299 on a comparative basis over fiscal year 1954. This represents an actual dollar increase of 0.9 percent over fiscal year 1954 as compared with an increase in mail volume of 3.14 percent.

REGIONAL OFFICES

Under the reorganization program one regional office has been established, under which there are nine district offices. If this program is found to be advantageous it is proposed to establish some 12 to 14 more such regional offices which would blanket the entire country. It is the purpose of such program to increase the responsiveness of the service to local needs and conditions; eventually reduce costs; and improve public and personnel relations. The first report from the regional office that has been established indicates that certain requests

from postmasters are replied to within 24 hours from the regional office whereas the same request heretofore made to Washington has normally taken three to six days; that the time of rural route matters referred to the regional office has been reduced some 80 per cent; requests for decisions which often took four to six weeks when referred to Washington are now handled within three to four days in the region; that only one file need be maintained on service and budget functions on matters relating to service activities whereas previously two files have been kept; personnel matters are speeded up through routine decisions from a period of one week to two or three days in the region; and it was stated that substantial savings in Christmas overtime would result under direct supervision in the area. While this report, submitted after only 13 days of operation, is not conclusive it is evidence of a proper trend.

RESEARCH AND DEVELOPMENT

The research and development program started in 1950 is now bearing fruit. Witnesses presented to the committee in picture slide form some of the new and improved methods of performing the many and varied types and kinds of work of the postal service. A discussion with the Director, Division of Development, begins on page 77 of the hearings.

PERSONNEL

The request presented by the Department for personnel totalled 516,793.9 average positions for fiscal year 1955 at an estimated cost of \$2,096,911,743, which reflects a decrease of 1,172 in average positions below the current fiscal year but an increase of \$8,873,525 in costs. The costs contain in addition to salary such items as travel; transportation of things; other contractual services; refunds, awards, and indemnities; and taxes and assessments, and these items in many instances reflect the increased costs including increased salary costs as the result of within-grade promotions. The following table discloses the overall requests under the different appropriation titles for personnel:

Departmental personnel

Appropriation title	1954		1955		Increase (+) or decrease (-)	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Administration.....	2,789.5	\$14,616,950	3,087.2	\$16,603,380	+297.7	+\$1,986,430
Operations.....	471,797.4	1,877,602,353	470,571.5	1,884,564,048	-1,225.9	+6,961,695
Transportation.....	42,204.4	188,829,600	41,893.6	187,598,000	-310.8	-1,231,600
Finance.....	198.8	910,315	195.3	910,315	-3.5	-----
Facilities.....	975.8	6,079,000	1,046.3	7,236,000	+70.5	+1,157,000
Total.....	517,965.9	2,088,038,218	516,793.9	2,096,911,743	-1,172	+8,873,525

A further breakdown of personnel information will be found under each of the appropriation titles.

ADMINISTRATIVE PERSONNEL

An analysis of the justifications submitted by the Department discloses requests for administrative personnel, funds for which are included in each of the five appropriation titles, in a total number of average positions of 68,028.9 for fiscal year 1955, in a total amount of \$278,919,380. This reflects an increase in average positions for administrative personnel of 570 over the current fiscal year and an increased amount of \$8,492,830. The following table indicates the average number of administrative positions (including postmasters, assistant postmasters and supervisors) and the amounts required for fiscal year 1954, and the average number of positions and amounts requested for fiscal year 1955, and the difference in the amounts, by appropriation titles:

Appropriation title	1954		Re- quested average positions	1955 amount	Increase 1955	
	Average positions	Amount			Average positions	Amount
Administration.....	2,789.5	\$14,616,950	3,087.2	\$16,603,380	+297.7	\$1,986,430
Operations.....	163,752.4	251,500,000	263,900.5	257,425,000	+148.1	5,925,000
Transportation.....	263.4	1,302,600	256.6	1,310,000	-6.8	7,400
Finance.....	190.8	873,000	187.3	873,000	-3.5	-----
Facilities.....	462.8	2,134,000	597.3	2,708,000	+134.5	574,000
Totals.....	67,458.9	270,426,550	68,028.9	278,919,380	+570.0	8,492,830

¹ This figure includes 43,078 postmasters; 20,113 supervisors and assistant postmasters; and 70 of the employees of the new regional post office organization.

² This figure includes 42,647 postmasters; 20,354 supervisors and assistant postmasters; and 410 of the employees of the new regional post office organization.

PNEUMATIC TUBE SERVICE, NEW YORK

The committee was apprised of the discontinuance of pneumatic tube service in New York City for the transportation of mail at a cost of almost \$1 million a year and advised that the service could be performed at a much less cost by truck. A discussion of the subject, which began on page 73 of the hearings and continued through page 76 (additional information being found beginning on page 393 of the hearings), disclosed that for several years there had been a difference of opinion as to whether the tube service should be continued with those in the higher administrative positions apparently ruling in favor of continuance. Service was continued on short term contracts for a time prior to December 27, 1950, when there was enacted a statute permitting the Postmaster General to enter into contracts, for not to exceed ten years, for the transmission of mail by pneumatic tubes or other mechanical devices. As a result of the enactment of this legislation the then Postmaster General entered into a contract for the pneumatic tube service in New York for a period of ten years at a contract price "not to exceed \$387,628.52 a year." This is the contract that has now been cancelled. The committee is informed that the cost of the service by truck will approximate \$22,168.44 per annum. In view of the facts as they presently appear the committee recommends that none of the funds appropriated in this Act be used for the continuance of the pneumatic tube service or for payments under the contract for that service, and no funds for the purpose are included in the amounts recommended herein.

LATER MAIL COLLECTIONS

A program of later collection of mail, inaugurated several months ago, has been found to expedite the handling of mail in many parts of the country. The additional cost is small compared with the benefits as the program has in a large part substituted the later collection for an earlier collection. Employees in the later collection receive a 10 per cent increase in salary for night work. It is estimated that the additional cost is approximately \$1,200,000 per annum.

CLAIMS

The appropriation title "Claims" appearing in the current year's Appropriation Act has been eliminated and the amount carried therein for payment of personal and property damage claims against the Post Office Department and for adjustments in accounts of postmasters for unavoidable losses is included in the requests before the committee in the appropriation title "Administration" to which the justifications indicate a transfer of \$644,000. The amounts carried in the appropriation for "Claims" for indemnities for loss of or damage to registered, insured, and collect-on-delivery mail, and for payment to holders of money orders which have not been paid within 1 year after the month of issue, are now reflected by a reduction in revenue from the fees collected from such services. Through a recommended change in language these claims will hereafter be paid from current revenues.

CONSOLIDATIONS IN POST OFFICES AND RURAL ROUTES

As of November 30, 1953, the services of 609 fourth-class post offices had been replaced by modern rural service at a savings of approximately \$771,000 a year. Other post offices and rural routes have been adjusted to meet changed conditions wherever possible to reduce cost and speed the service.

ADMINISTRATION

The request under this appropriation title contains funds for the executive direction of the Department, for personnel administration, legal services, audit and control, and the inspection service. The request for \$20,494,000 reflects an increase of \$2,480,000 over the amount required for the same purposes during the current fiscal year, a substantial part of the requested increase being for the employment of additional inspectors, it being stated that additional inspectors are urgently needed in the execution of the new management-improvement program.

In the request new language authority is sought to permit—

not to exceed \$25,000 for miscellaneous and emergency expenses authorized or approved by the Postmaster General and accounted for solely on his certificate

for the purpose of enabling properly designated employees of the Department to be reimbursed for modest expenditures when entertaining foreign and other dignitaries who are being shown the workings of the Post Office Department. The committee recommends the

inclusion in the law of the amount requested and the following language—

not to exceed \$25,000 for miscellaneous and emergency expenses.

The committee considers such expenses, mentioned in the hearings on pages 110 to 112, as proper but feels that a proper accounting should be made for such expenditures so have eliminated the language that would permit such expenditures to be accounted for solely on the certificate of the Postmaster General. Such accounts should have the same approval of the Postmaster General or a properly designated official for accounting purposes as other items of expenditure.

The language submitted in the Department's estimates of appropriations proposes the elimination in this title of the usual authorizing language permitting the employment of experts or consultants, as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and proposes in a General Provision the usual authorizing language plus language that would exempt the Post Office Department from any time limitation on contracts with experts or consultants or organizations thereof. The examples given by witnesses for the Department as the need for a change in the present law would not be effected should this bill carry the General Provision requested in that those contracts would have expired before this bill is to become effective. The committee pointed out to officials of the Department that such a request contained matter that should be presented to the legislative committee. In view of the facts as developed the requested General Provision has been eliminated and the usual authorizing language permitting employment of experts or consultants for periods not in excess of one year has been reinstated under this appropriation title.

The Department requested, also, that the usual language authorizing the expenses of delegates to attend meetings and congresses with foreign governments be transferred from this appropriation title to the appropriation title "Transportation." The committee feels that authorization for attendance at these congresses is for administrative determination and since the funds are to be accounted for solely on the certificate of the Postmaster General should be continued under this appropriation title. The committee recommends a limitation of not to exceed \$6,000 which is the amount requested for this purpose that may be accounted for on the certificate of the Postmaster General.

The estimates of appropriation proposes the elimination of the appropriation title "Claims" which appears in the current year's appropriation Act and proposes to settle claims and adjust losses through the authority of language contained in this and other appropriation titles. Of the \$7,180,000 appropriated for settlement of claims during the current fiscal year \$644,000 was transferred to this title, a like amount is requested under this title for fiscal year 1955. The requested new language, which is recommended by the committee, authorizes the settlement of claims and payment of damages for losses resulting from unavoidable casualty to the extent requested.

Administrative personnel.—The request under this appropriation title contemplates the employment of 3,087.2 average positions for fiscal year 1955, at a cost of \$16,603,380, which is an increase of 297.7 average positions and \$1,986,430 over the estimated requirements for the current fiscal year. The major requests for increases in personnel are in the office of the Controller at Washington, D. C., who requests

382.2 average positions at a cost of \$2,073,100, an increase of 119.7 in positions and \$877,900 in funds; and in the Inspection Service where 1,056 average positions for inspectors is requested, an increase of 158; and 440 officers and employees assigned to the field domiciles of inspectors, an increase of 47, at a cost of \$9,121,000, an increase of \$1,093,400. Small adjustments are made in other accounts. The following table gives a breakdown of the requests for personnel under this appropriation title:

Personnel

Administration	1954		1955		Increase (+) or decrease (-)	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Postmaster General's Office.....	148.5	\$749,800	152.7	\$774,000	+4.2	+\$24,200
Administrative Assistant to Postmaster General.....	15.3	113,350	2	18,280	-13.3	-95,070
Bureau of Personnel.....	4.6	31,200	1	32,600	-3.6	+1,400
Office of Solicitor.....	53	311,800	52.4	312,800	-.6	+1,000
Office of Controller.....	262.5	1,195,200	382.2	2,073,100	+119.7	+877,900
Regional Accounting Personnel.....	901.1	3,584,700	882.1	3,617,000	-19	+32,300
Chief Post Office Inspector.....	113.5	603,300	118.8	654,600	+5.3	+51,300
Inspectors.....	898	6,222,000	1,056	7,099,000	+158	+877,000
Inspection service (clerical).....	393	1,805,600	440	2,022,000	+47	+216,400
Total.....	2,789.5	14,616,950	3,087.2	16,603,380	+297.7	+1,986,430

The committee recommends for appropriation for this title \$20,-000,000, which is a reduction of \$494,000 below the amount requested but an increase of \$1,986,000 above the estimated obligations for the current fiscal year.

OPERATIONS

The request under this appropriation title contains funds for all activities of the Bureau of Post Office Operations which are under the jurisdiction of an Assistant Postmaster General. This Bureau directs the operations of all post offices, city and rural delivery services, and custodial services. The request for \$1,901,776,000 reflects an increase of \$2,741,300 over the amount estimated for obligations during the current fiscal year. A breakdown by activity and account will be found in the hearings beginning on page 255 of the hearings.

The estimates were presented to the committee on the assumption that in accordance with the decentralization program under authority of Reorganization Plan No. 3 of 1949 there would be 4 new regional offices established during the current fiscal year and 11 during fiscal year 1955. One regional office has been established in Cincinnati, Ohio, comprising the states of Ohio, Kentucky and Indiana. It is now estimated that no more than 2 additional regional offices can be established during the current fiscal year and that the lack of the proper type of trained personnel to head up the regions and districts will prevent the establishment of more than 75 percent of the number of regional offices originally anticipated for fiscal year 1955.

In the reconciliation of the estimates herein for fiscal year 1955 with the appropriations made for the current fiscal year \$4,922,000 is shown as a transfer from the appropriation title of "Claims" as it appears in the 1954 Act but which does not appear in the request for 1955. It is now proposed through language in the General Provi-

sions, Sec. 204, to pay indemnities for the loss of or damage to registered, insured, and collect-on-delivery mail and expense of manufacturing embossed stamped envelopes from the postal revenues. This, it is stated to the committee, will improve the accounting system in that the mandatory payments of such claims can be made immediately from postal revenue. This will have no effect on the deficit, only provide for a more efficient method of handling such payments.

The request under this appropriation title contemplates the employment of 470,571.5 average positions for fiscal year 1955, at a cost of \$1,884,564,048, which is a decrease of 1,225.9 average positions below the current fiscal year, but an increase in costs of \$6,961,695. The breakdown in employment is shown in the following table:

Personnel

Operations	1954		1955		Increase (+) or decrease (-), 1955	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Post Office Operations.....	491.4	\$2,165,300	489.5	\$2,147,000	-1.9	-\$18,300
Postmasters.....	43,078	133,400,000	42,647	141,851,000	-431	+2,451,000
Post Office Supervisors.....	20,113	109,491,000	20,354	110,890,000	+241	+1,399,000
Regional Offices.....	70	512,000	410	2,924,000	+340	+2,412,000
Clerks, 1st and 2d.....	203,094	788,312,400	200,260	781,154,000	-2,834	-7,158,400
Clerks, 3d Class.....	11,736	34,449,000	10,546	31,000,000	-1,190	-3,449,000
City Delivery Carriers ¹	127,396	498,647,000	129,939	508,647,000	+2,543	+10,000,000
Special Delivery Carriers.....	5,085	20,099,000	5,085	20,099,000		
Vehicle Service.....	8,335	33,702,000	8,472	34,187,000	+137	+485,000
Rural carriers.....	35,959	193,580,000	36,188	195,089,000	+229	+1,509,000
Custodial service ²	16,440	57,244,653	16,181	56,576,048	-259	-668,605
Total.....	471,797.4	1,877,692,353	470,571.5	1,884,564,048	-1,225.9	+6,961,695

¹ Does not include clerks at 4th class offices for which \$157,000 is requested, the same as for the current fiscal year.

² Does not include unclassified custodial service employees for which \$3,186,219 is requested.

Under language proposed in Section 204 of the General Provisions it is proposed to pay indemnities arising from loss of mail from revenues. The justifications disclose that \$4,922,000 carried in the appropriation "Claims" for the current fiscal year are accounted for in this appropriation title.

The committee recommends for appropriation for this title \$1,899,776,000, a reduction of \$2,000,000 below the amount requested, but an increase of \$741,300 over the estimated obligations for the current fiscal year. The reductions are based upon the fact that all funds requested for the regionalization program will not be required since the program is not proceeding as rapidly as was anticipated and on savings that should result from the improved programs that have been put into effect. The increase is authorized in anticipation of increased mail volume and to add supervision to increase employee productivity.

TRANSPORTATION

The request under this appropriation title contains funds to cover the cost of administrative personnel of the Bureau of Transportation in Washington, and for the transportation of mail by air, land or water including the cost of star route service, highway post offices, short-

haul truck service, railroad and electric car service, and air mail service. The request for \$703,219,000 reflects a decrease of \$16,939,350 below the amount of estimated obligations for the current fiscal year. A breakdown by activity and account will be found beginning on page 211 of the hearings. The major areas of decrease is in the account for mail handling in transit where a decrease of \$1,228,850 in personal services is requested; in the account for Government highway post offices where a decrease of \$754,000 is requested due to the conversion of this service from Government operated to contract service; in the account for domestic air mail service where a decrease of \$7,893,000 is requested due to Reorganization Plan No. 10 of 1953, which transferred the function of paying air carriers amounts in excess of those payable for the transportation of mail at service rates prescribed by the Board from the Post Office Department to the Civil Aeronautics Board; in the account for foreign air mail service where a decrease of \$9,820,750 is requested, also due to Reorganization Plan No. 10; in the account for terminal and transportation charges by foreign countries where a decrease of \$1,877,000 is requested due to the Army and Navy transporting and handling military mails formerly shipped on commercial vessels, and to settlements to these accounts on a more current basis; and in the account for indemnities, international mail, a reduction of \$33,000, which under the recommended change in language will hereafter be paid from revenues rather than from a direct appropriation.

The request under this appropriation title contemplates the employment of 41,893.6 average positions for fiscal year 1955, at a cost of \$187,598,000 which is a decrease of 310.8 average positions and \$1,231,600 below the current fiscal year. The breakdown in employment is shown in the following table:

Personnel

Transportation	1954		1955		Increase (+) or decrease (-)	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Bureau of Transportation.....	263.4	\$1,262,600	256.6	\$1,269,000	-6.8	+\$6,400
Mail handling in transit.....	41,941	187,567,000	41,637	186,329,000	-304	-1,238,000
Total.....	42,204.4	188,829,600	41,893.6	187,598,000	-310.8	-1,231,600

MEETING OF THE CONGRESS OF THE POSTAL UNION OF THE
AMERICAS AND SPAIN, BOGOTÁ, COLOMBIA

The justifications under the account number 141 contain a request for \$20,445 for travel which is an increase of \$7,845 over the amount for the same purpose for the current fiscal year. It is explained that a major portion of the increase for travel is due to the scheduled meeting of the Congress of the Postal Union of the Americas and Spain in Bogotá, Colombia, at which it is expected five delegates from the Post Office Department will attend. At the time of the hearing there was some question as to whether the Congress would be held, in view of which the committee recommends the appropriation of these funds with the understanding that if the Congress is not held the above

amount of \$7,845 will be withheld and permitted to revert to the Treasury.

The committee recommends for appropriation for this title \$702,-219,000, a reduction of \$1,000,000 below the amount requested, and of \$15,939,350 below the amount estimated for obligation for the current fiscal year. Some \$4,340,000 of this reduction is expected to result from the diversion of short-haul mails to new truck routes to be established, and by improved methods of utilizing space in railroad trains; other reductions are brought about by the transfer of subsidy payments from the Post Office Department; and other reductions are due to the Army and Navy transporting and handling military mails which were formerly shipped on commercial vessels.

FINANCE

This is a new appropriation title and covers the Bureau of Finance which has general supervision of the financial operations of the postal service, including the procurement of stamps and accountable paper. Under the reorganization of May 20, 1953, the Bureau of Finance has five divisions as follows:

The Division of Postal Rates which will be a research, statistical and consumer study group that will evaluate postal rates and relate such costs to the market which the department serves;

The Division of Postal Funds which has jurisdiction of all stamps and accountable paper;

The Division of Money Orders which has jurisdiction over all money-order transactions;

The Division of Postal Savings which is in effect the banking function provided the public; and

The Division of Philately which has to do with the issuance and distribution of special issues of stamps and their distribution to philatelists throughout the country and in foreign countries.

The request for employment under this appropriation title contemplates the employment of 195.3 average positions for fiscal year 1955, at a cost of \$910,315, which is a decrease of 3.5 average positions but no decrease in funds from requirements for the current fiscal year. Eight of the positions and \$37,315 are allocated to the United States Stamped Envelope Agency in Dayton, Ohio. The estimate for the current fiscal year provides for 12 new positions with annual salaries totaling \$82,280 to staff the Division of Postal Rates. It is anticipated that these positions will be filled for an average of eight months during the current fiscal year at a cost of \$54,856 but it is anticipated the Division will be fully manned before the beginning of fiscal year 1955 and the full amount of funds for their annual salaries will be required. A breakdown of the requested employment is shown in the following table:

Personnel

Finance	1954		1955		Increase (+) or decrease (-)	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Bureau of Finance.....	190.8	\$873,000	187.3	\$873,000	-3.5	-----
Stamps and accountable paper..	8	37,315	8	37,315	-----	-----
Totals.....	198.8	910,315	195.3	910,315	-3.5	-----

The over-all estimates for this appropriation title requests an appropriation of \$8,501,000 for fiscal year 1955. The estimated obligations for the current fiscal year are \$17,920,000, indicating that the requirements for 1955 will be \$9,419,000 less than for 1954. The indicated reduction is brought about by a proposed change in the manner of handling the expense of manufacturing stamped envelopes which for the current fiscal year is estimated at \$8,654,000, and the payment of money orders outstanding after one year, which for the current fiscal year is estimated at \$765,000. Heretofore funds have been appropriated each year for each of these purposes. It is now proposed, through change in language, to permit the use of funds for the procurement of embossed stamped envelopes to be taken from postal revenue; and to permit the cashing of overage money orders from current money-order funds. This reflects no savings in dollars other than what might be incidental to a more efficient operation. In other words the above mentioned expenditures which have heretofore been paid from appropriated funds and accounted for as such will, under the proposed new procedure, be paid from current revenues and, unless there is a savings through greater efficiency of the operation there will be no savings to the taxpayer. While the committee has accepted the request and recommendation of the Department in this matter there remains a question as to whether additional accounting may be made necessary by the change that may offset any financial advantage to be gained.

FACILITIES

This is a new appropriation title and covers the Bureau of Facilities which has general supervision over the operation of buildings; procurement of supplies and equipment; and the purchase, rental, and maintenance of vehicles for local transportation. The Bureau is composed of three divisions, as follows:

The Division of Real Estate which is responsible for the operation of all Government-owned and leased buildings under the jurisdiction of the postal service, and the procurement of fuel and utility services;

The Division of Supplies which is responsible generally for procurement and distribution of all supplies and equipment, except the purchase of fuel and utility services; and

The Division of Vehicles which is responsible for the operation of garages, utilization of vehicles, standards of maintenance, et cetera.

The request for this appropriation of \$126,010,000 reflects an increase of \$12,515,000 over the estimated requirements for the current fiscal year. The increased request is based upon the need for im-

proved lighting, color and ventilating for the specialized conditions in workroom areas; procurement of additional trucks and light vehicles; rental for additional space due to increased mail volume; the staffing for a full year of regional staff offices created during the current fiscal year; and additional requirements for building supplies, equipment and maintenance. Reductions in requests are found in the account for vehicle hire due to more of the work being performed by Government-owned trucks; in the account for printing, supplies, and equipment as a result of the purchase of non-recurring furniture and equipment for staff personnel during the current fiscal year; in the account for Salaries and Travel, Supplies and Equipment, as a result of the transfer of Washington Supply Center personnel to the account covering Regional Facilities personnel which shows an increase; in the account for the Modernization of Mail Equipment Shops, which is a non-recurring item for the enlargement and modernization of the Mail Equipment Shops located in Washington, D. C.; and in the account for Printing, field service due largely to reduction of costs of facing slips resulting from improved methods placed in effect during the current fiscal year, and a smaller quantity of checks required during fiscal year 1955.

The request for funds for improved lighting and color for specialized conditions in workroom areas in the amount of \$4,000,000 is for work at the New York main post office, Chicago main post office (2nd floor), and the Boston South Postal Annex (part only). In connection with this program it is stated that—

Experiments conducted during the past two years by the Department have established standards of lighting and color for the specialized conditions in workroom areas. The experiments have shown that the program results in greater efficiency and improved morale to the extent that it is definitely worth its cost. The total program includes 64 of the larger Federal buildings, while the estimates for 1954 and 1955 include only three of the very largest buildings each year.

The committee is familiar with some of the work being done under this program and feels that it is very worth while.

The request under this appropriation title contemplates the employment of 1,046.3 average positions for fiscal year 1955 at a cost of \$7,236,000, which is an increase of 70.5 average positions and \$1,157,000 over the estimated requirements for the current fiscal year. The major increase in the request for personnel is in account 503 covering salaries, travel, and transportation of personal effects of the administrative and operating staff stationed at regional offices and centers throughout the country. That program has not progressed as rapidly as anticipated and the reduction recommended by the committee takes that fact into consideration. A breakdown of the requested employment is shown in the following table:

Personnel

Facilities	1954		1955		Increase (+) or decrease (—)	
	Average positions	Amount	Average positions	Amount	Average positions	Amount
Bureau of Facilities.....	271.8	\$1,263,000	280.5	\$1,318,000	+8.7	+\$55,000
Regional Facilities Personnel....	191	871,000	316.8	1,390,000	+125.8	+519,000
Supplies and Equipment.....	59	312,000	28	208,000	-31	-104,000
Equipment Shops.....	454	3,633,000	421	4,320,000	-33	+687,000
Total.....	975.8	6,079,000	1,046.3	7,236,000	+70.5	+1,157,000

Subsequent to the time of committee hearings on the budget requests of the Post Office Department the Government Printing Office announced a five percent reduction in its charges to Government agencies for printing effective February 1, 1954. The committee was advised that in the budget estimates for fiscal year 1955 the reduction of five percent in work performed in the Government Printing Office had not been taken into consideration and that it would therefore be appropriate to take that fact into consideration when marking-up the bill. Testimony subsequently adduced from Treasury Department witnesses disclosed that the five percent reduction applied only to work performed by the Government Printing Office central plant and only to labor costs within the Government Printing Office since there has been no change in prices warranting a reduction in the cost of paper and printing materials. Thus the five percent reduction announced by the Government Printing Office would apply only in part to the estimates for printing and reproduction. The ratio of labor costs to the total estimated printing and reproduction costs vary according to the nature of the printing to be performed from approximately forty percent in the case of mass production to as much as ninety-five percent in printing of limited quantities. It was pointed out that for these reasons it is not possible to determine in advance of the placing of orders with the Government Printing Office what distribution that office will make in its charges between labor and material costs. In view of the uncertainties the committee recommends a reduction of three percent in the printing and reproduction costs budgeted in this appropriation title or \$110,000.

The committee recommends an appropriation under this title of \$124,890,000, a reduction of \$1,120,000 below the request, based as stated above on the facts that the regionalization program has not progressed as rapidly as anticipated and therefore will not require the number of personnel requested, that under the new management better procurement and better rental contracts will be effected, and that due to action of the Government Printing Office a reduction may be made in printing costs.

LANGUAGE CHANGES

The new language proposed and recommended in Section 203 of the General Provisions would permit the Postmaster General to formulate rules under which selected key individuals could participate in particular kinds of training of a very broad character suitable to extending their abilities in the postal service at government expense. Such courses, generally called executive development courses, may be found at MIT, Columbia University, Harvard and elsewhere. Discussion of this recommended change in language and the reasons therefor will be found beginning on pages 113 and 147 of the hearings.

Section 204 proposes new language under which the expenses of manufacturing stamped envelopes and paying indemnities for loss of or damage to registered, insured, and collect-on-delivery mail would be authorized. The committee is advised that this proposed change would simplify and improve accounting procedures. In expectation that improved procedures will reflect savings the committee recommends the change.

Section 205 provides that money orders heretofore or hereafter issued shall be paid from the receipts representing the face value of

money orders. Under present procedures money orders are cashed from the proceeds of the sale of money orders, except that a money order more than one year old must be paid from appropriated funds, thus the proposed language will effect only those money orders more than one year old and permit such money orders to be paid in the same manner as those less than one year old. The committee is advised that the proposed change will bring this type of transaction in line with sound accounting practices and will improve the departmental accounting system. For these reasons the committee recommends the proposed new language.

Section 206 proposes to make available to the General Services Administration additional funds for repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes to promote efficiency by using available funds to make alterations where such alterations would allow easier and more efficient use of personnel or machines. No funds were requested to be appropriated for these purposes, it being stated that—

We wish to add this change as a general provision to the act, rather than a change in the appropriation for the Bureau of Facilities, in order to permit the Postmaster General to use savings in any appropriation of the Department to accomplish additional savings in this manner. It will give flexibility to the use of our funds in accomplishing efficiency of operations. No additional funds are being requested for the purposes covered by this language change.

It was further developed that perhaps not more than \$1,000,000 could be saved from other appropriations and utilized for the purposes desired, so the committee in approving the authority has limited the amount that may be used in this manner to \$1,000,000.

LIMITATIONS AND LEGISLATIVE PROVISIONS

(Post Office Department)

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill and are recommended by the committee:

On page 10, line 21, in connection with the appropriation title "Administration":

not to exceed \$25,000 for miscellaneous and emergency expenses

On page 13, line 15, in connection with a general provision authorizing training programs for postal employees:

SEC. 203. During the current fiscal year, and under such regulations as may be prescribed by the Postmaster General, not to exceed an aggregate of \$100,000 shall be available from any funds available to the Post Office Department, as may be determined by him, for expenses necessary to enable the Department to participate in Federal or non-Federal training programs and for necessary expenses of training officers and employees (both departmental and field postal services) in such subjects or courses of instruction in either Federal or non-Federal facilities as will contribute to the improved performance of their official duties: Provided, That not more than forty-five of such officers and employees may participate in any training program in a non-Federal facility which is of more than ninety days duration.

On page 14, line 5, in connection with claims and the expense of manufacturing stamped envelopes:

SEC. 204. Hereafter, indemnities for the loss of or damage to registered, insured and collect-on-delivery mail and the expense of manufacturing embossed stamped envelopes (printed or unprinted) shall be paid from postal revenues.

On page 14, line 10, in connection with payment of money orders:

SEC. 205. Hereafter, money orders shall be paid from the receipts representing the face value of money orders heretofore or hereafter issued.

On page 14, line 13, in connection with transfer of funds to the General Services Administration for improvement of federally owned property for postal purposes:

SEC. 206. Not exceeding \$1,000,000 of appropriations in this title shall be available for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes.

TITLE III—GOVERNMENT CORPORATIONS

EXPORT-IMPORT BANK OF WASHINGTON

The Export-Import Bank was created by Act of Congress in 1945 (12 U. S. C. 635), as amended—

to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof

is guided by the policy of supplementing and encouraging rather than competing with private capital, and generally requires that the loans be made for specific purposes and offer reasonable assurance of repayment. It makes every effort to secure a maximum of private capital participation in its credits.

The Bank also performs functions under the Defense Production Act of 1950, as amended, with respect to loans made for the development of foreign sources and the production abroad of essential materials for the stockpile, and under the Economic Cooperation Act of 1948, as amended, with respect to foreign assistance loans and guarantees. It does not use its own funds for these latter activities, but operates under allocations from the Office of Defense Mobilization and the Foreign Operations Administration.

Under Reorganization Plan No. 5 of 1953, which became law on June 30, 1953, the Board of Directors was eliminated and all of its functions transferred to a Managing Director appointed by the President with the advice and consent of the Senate, to which position Major General Glen E. Edgerton was appointed. He is assisted by a Deputy Director, also appointed by the President with the advice and consent of the Senate, and an Assistant Director appointed by the Managing Director under the classified civil service.

The lending and insurance authority of the Bank is limited to \$4.5 billion outstanding at any one time. Pursuant to Public Law 30, 83rd Congress, approved May 21, 1953, \$100 million has been allocated to provide insurance on commodities in storage in friendly foreign countries. At the time of the hearings no insurance under this authorization had been placed in effect but considerable work had been done by the Bank in preparation for handling anticipated applications.

Funds of the Bank are derived from a Treasury subscription to capital stock of \$1 billion and authority to borrow from the Treasury up to \$3.5 billion providing lending authority in the total amount of \$4.5 billion. In lieu of borrowing funds from the Treasury the Bank

may, with the consent of the Treasury, guarantee loans from private sources, a practice which, it was stated, would be utilized more extensively in the future than in the recent past.

The administrative expenses of the Bank for which \$1,070,000 is requested are provided by the establishment of an allowance to permit the use of a small part of the Bank's earnings for that purpose. The allowance requested for fiscal year 1955 is a reduction of \$46,000 below the allowance for the current fiscal year. The committee recommends the amount requested.

RECONSTRUCTION FINANCE CORPORATION

The Reconstruction Finance Corporation Liquidation Act (Public Law 163, 83rd Congress) provided for expiration of the Corporation's succession on June 30, 1954. Its lending authority expired on September 28, 1953. The Secretary of the Treasury is responsible for liquidation of the lending functions terminated by the act, the liquidation of certain World War II assets, and the liquidation of the Smaller War Plants Corporation. The act also transferred to the Secretary of the Treasury responsibility for the lending program under section 409 of the Federal Civil Defense Act of 1950.

On June 30, 1953, the assets related to the Reconstruction Finance Corporation's lending program amounted to \$639.8 million. In addition there was outstanding \$131.2 million in loan commitments and agreements to purchase deferred participations in loans made by private financial institutions; and between June 30, 1953 and September 28, 1953 an additional \$4.3 million was authorized.

The program of the Corporation for the remaining months of fiscal year 1954 will be to liquidate as rapidly as possible its assets. It is estimated that approximately \$408 million in assets will remain for transfer to the Treasury on June 30, 1954. After June 30, 1954 the Secretary of the Treasury will continue to liquidate loans and investments in advance of maturity dates and receive scheduled repayments on loans and other investments.

During the current fiscal year it is estimated realizations upon assets will exceed the amounts required for disbursements on outstanding commitments and borrowings from the Treasury will be reduced by an estimated \$122.8 million. During fiscal year 1955 it is estimated sufficient funds to retire all borrowings from the Treasury will be realized and in addition some \$7.5 million of 1954 income will be paid to the Treasury as a dividend in fiscal year 1955.

The budget request is for not to exceed \$3,630,000 of the funds derived from the activities of the Corporation which are under limitation to cover the administrative expenses of liquidation, and represents an employment strength of 500 man-years. This amount is a reduction of \$2,985,000 below the estimated requirements for the current fiscal year, and a reduction of 491 man-years of employment. The committee recommends \$3,500,000.

LIMITATIONS AND LEGISLATIVE PROVISIONS

RECONSTRUCTION FINANCE CORPORATION

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill and are recommended by the committee:

Beginning on page 15, line 23, in connection with the authorization for the Reconstruction Finance Corporation:

RECONSTRUCTION FINANCE CORPORATION

The Treasury Department is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to it from Reconstruction Finance Corporation activities, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1955 for each such activity, except as hereinafter provided:

ADMINISTRATIVE EXPENSES OF LIQUIDATING THE RECONSTRUCTION FINANCE CORPORATION

Not to exceed \$3,500,000 (to be computed on an accrual basis) of the funds derived from Reconstruction Finance Corporation activities (except those conducted under Section 409 of the Federal Civil Defense Act of 1950), shall be available during the current fiscal year for administrative expenses incident to the liquidation of said Corporation, including use of the services and facilities of the Federal Reserve banks: Provided, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: Provided further, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States; the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services, and all administrative expenses reimbursable from other Government agencies: Provided further, That the distribution of administrative expenses to the accounts of the Corporation shall be made in accordance with generally recognized accounting principles and practices.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1954 AND THE ESTIMATES FOR 1955—PERMANENT
INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1954	Estimates, 1955	Increase (+) or decrease (-)
General and special funds:			
Interest on the public debt-----	\$6, 525, 000, 000	\$6, 800, 000, 000	+\$275, 000, 000
Public debt retirements payable from ordinary receipts and other statutory retirements-----	619, 788, 100	619, 788, 100	
Losses in melting gold-----	500	1, 000	+500
Refund of moneys erroneously received and covered-----	1, 500, 000	1, 500, 000	
Interest on uninvested trust funds-----	4, 995, 425	5, 145, 425	+ 150, 000
Refunds and drawbacks, Customs-----	20, 000, 000	20, 000, 000	
Refunding internal revenue collections-----	3, 070, 000, 000	2, 728, 000, 000	-342, 000, 000
Internal revenue collections for Puerto Rico-----	15, 700, 000	15, 700, 000	
Coconut oil tax, collections for American-Samoa, Internal Revenue-----	25, 000	25, 000	
Contributions for annuity benefits, White House police and Secret Service forces-----	127, 287	130, 800	+3, 513
Minor coinage profits, etc-----	545, 944	600, 000	+54, 056
Silver Profit Fund-----	23, 133	500, 000	+476, 867
Permanent private relief acts-----	1, 620	1, 620	
Expenses of administration of Settlement of War Claims Act of 1928-----	10, 000	10, 000	

Obligations retired from Federal Intermediate Credit Bank franchise tax receipts-----	386, 707	200, 200	-186, 507
Total, general and special funds-----	10, 258, 103, 716	10, 191, 602, 145	-66, 501, 571
Trust funds (not a charge against revenue):			
Federal Old-Age and Survivors Insurance Trust Fund-----	5, 141, 660, 522	5, 980, 643, 241	+838, 982, 719
Pershing Hall Memorial Fund-----	4, 978	4, 978	-----
Unemployment Trust Fund-----	1, 566, 472, 927	1, 545, 495, 449	-20, 977, 478
Payment of Pre-1934 Bonds of the Government of the Philippines-----	170, 586	170, 586	-----
Mexican Claims Fund-----	2, 500, 000	2, 500, 000	-----
Payment of Unclaimed Moneys-----	100, 000	100, 000	-----
Refunds, Transfers and Expenses of Operation, Puerto Rico, Bureau of Customs-----	4, 000, 000	4, 000, 000	-----
Refunds, Transfers and Expenses of Operation, Virgin Islands, Bureau of Customs-----	194, 000	194, 000	-----
Refunds, Transfers and Expenses of Unclaimed, Abandoned and Seized Goods, Bureau of Customs-----	360, 000	360, 000	-----
Expenses, Treasury Department, Enforcement Title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands-----	126, 891	58, 036	--68, 855
Total, Trust Funds-----	6, 715, 589, 904	7, 533, 526, 290	+817, 936, 386

**COMPARATIVE STATEMENTS OF APPROPRIATIONS FOR 1954, ESTIMATES FOR 1955 AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1955**

TITLE I—TREASURY DEPARTMENT

Appropriations	Appropriations, 1954 (adjusted) ¹	Estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriations	1955 estimates
Office of the Secretary: Salaries and expenses-----	\$2, 670, 900	² \$2, 620, 000	\$2, 600, 000	— \$70, 900	— \$20, 000
Bureau of Accounts:					
Salaries and expenses-----	2, 729, 100	³ 2, 700, 000	2, 548, 700	— 180, 400	— 151, 300
Division of Disbursements-----	10, 140, 000	⁴ 14, 600, 000	14, 500, 000	+ 4, 360, 000	— 100, 000
Total, Bureau of Accounts-----	12, 869, 100	17, 300, 000	17, 048, 700	+ 4, 179, 600	— 251, 300
Bureau of the Public Debt-----	49, 666, 000	45, 400, 000	44, 997, 300	— 4, 668, 700	— 402, 700
Office of the Treasurer:					
Salaries and expenses-----	16, 934, 000	⁵ 15, 600, 000	15, 499, 000	— 1, 435, 000	— 101, 000
Contingent expenses, public moneys-----	416, 000	(⁶)	-----	— 416, 000	-----
Total, Office of the Treasurer-----	17, 350, 000	15, 600, 000	15, 499, 000	— 1, 851, 000	— 101, 000
Bureau of Customs: Salaries and expenses-----	40, 500, 000	40, 000, 000	39, 996, 300	— 503, 700	— 3, 700
Internal Revenue Service-----	266, 000, 000	266, 000, 000	265, 912, 000	— 88, 000	— 88, 000
Bureau of Narcotics: Salaries and expenses-----	2, 790, 000	⁷ 2, 770, 000	2, 770, 000	— 20, 000	-----

U. S. Secret Service:

Salaries and expenses-----	2, 500, 000	2, 438, 000	2, 438, 000	-62, 000	-----
White House Police-----	730, 000	712, 000	712, 000	-18, 000	-----
Guard Force-----	375, 000	268, 000	268, 000	-107, 000	-----
Total, U. S. Secret Service-----	3, 605, 000	3, 418, 000	3, 418, 000	-187, 000	-----
Bureau of the Mint-----	4, 700, 000	4, 500, 000	4, 450, 000	-250, 000	-----
Coast Guard:					
Operating expenses-----	188, 250, 000	155, 900, 000	155, 889, 300	-32, 360, 700	-10, 700
Acquisition, construction, and improvements-----	2, 500, 000	3, 000, 000	3, 000, 000	+500, 000	-----
Retired pay-----	18, 600, 000	19, 775, 000	19, 775, 000	+1, 175, 000	-----
Reserve training-----	2, 500, 000	2, 500, 000	2, 500, 000	-----	-----
Total, Coast Guard-----	211, 850, 000	181, 175, 000	181, 164, 300	-30, 685, 700	-10, 700
Total, Title I—Treasury Department-----	612, 001, 000	578, 783, 000	577, 855, 600	-34, 145, 400	-927, 400

¹ For comparative purposes, amounts shown are different from those appearing in the Treasury Department Appropriation Act, 1954, due to transfers of activities under the reorganization plan.

² Includes \$301,200 for activities previously carried under "Salaries and expenses, Bureau of Narcotics," and "Administering the public debt, Bureau of the Public Debt." Excludes \$18,100 for activities previously carried under this appropriation and transferred to "Salaries and expenses, Bureau of Accounts, Treasury."

³ Included \$929,100 for activities previously carried under: "Salaries and expenses, Division of Disbursement," \$860,000; Salaries and expenses, Office of Secretary of Treasury, \$18,000; and "Administering the public debt, Bureau of the Public Debt," \$51,000.

⁴ Excludes \$860,000 for activities transferred to "Salaries and expenses, Bureau of Accounts, Treasury."

⁵ Includes \$337,300 for activities previously carried under "Contingent expenses, public moneys, Office of the Treasurer," and \$400,000 for activities carried under "Administering the public debt, Bureau of Public Debt."

⁶ Estimate of \$337,300 for activities previously carried under the title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer."

⁷ Excludes \$12,200 for activities transferred in the estimates to "Salaries and expenses, Office of the Secretary of the Treasury."

Comparative statements of appropriations for 1954, estimates for 1955 and amounts recommended in the bill for 1955—Con.

TITLE II—POST OFFICE DEPARTMENT

Appropriations	Appropriations, 1954 (adjusted) ¹	Estimates, 1955	Recommended in bill for 1955	Bill compared with—	
				1954 appropriations	1955 estimates
Administration-----	\$18, 014, 000	\$20, 494, 000	\$20, 000, 000	+\$1, 986, 000	—\$494, 000
Operations-----	1, 899, 480, 700	1, 901, 776, 000	1, 899, 776, 000	+ 295, 300	—2, 000, 000
Transportation-----	722, 822, 050	703, 219, 000	702, 219, 000	—20, 603, 050	—1, 000, 000
Finance-----	17, 920, 000	8, 501, 000	8, 501, 000	—9, 419, 000	-----
Facilities-----	113, 495, 000	126, 010, 000	124, 890, 000	+ 11, 395, 000	—1, 120, 000
Total-----	2, 771, 731, 750	2, 760, 000, 000	2, 755, 386, 000	—16, 345, 750	—4, 614, 000
Grand total, Titles I and II-----	3, 383, 732, 750	3, 338, 783, 000	3, 333, 241, 600	—50, 491, 150	—5, 541, 400

¹ For comparative purposes, amounts shown are different from those appearing in the Post Office Department Appropriation Act, 1954, due to transfers of activities under the reorganization plan.

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitation on amount of corporate funds to be expended]

Corporation	Authorization, 1954	Budget estimates, 1955	Recommended in bill	Bill compared with—	
				Authorization, 1954	Estimates, 1955
Export-Import Bank of Washington-----	\$1, 116, 000	\$1, 070, 000	\$1, 070, 000	—\$46, 000	-----
Reconstruction Finance Corporation-----	6, 615, 000	3, 630, 000	3, 500, 000	—3, 115, 000	—\$130, 000
Total-----	7, 731, 000	4, 700, 000	4, 570, 000	—3, 161, 000	—130, 000

○

Union Calendar No. 448

83^D CONGRESS
2^D SESSION

H. R. 7893

[Report No. 1200]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 1954

Mr. CANFIELD, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury

1 Department for the fiscal year ending June 30, 1955,
2 namely:

3 OFFICE OF THE SECRETARY

4 SALARIES AND EXPENSES

5 For necessary expenses in the Office of the Secretary,
6 including the operation and maintenance of the Treasury
7 Building and Annex thereof; and the purchase of uniforms
8 for elevator operators; \$2,600,000.

9 BUREAU OF ACCOUNTS

10 SALARIES AND EXPENSES

11 For necessary expenses of the Bureau of Accounts,
12 \$2,548,700: *Provided*, That Federal Reserve banks and
13 branches may be reimbursed for necessary expenses incident
14 to the deposit of taxes in Government depositories.

15 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

16 For necessary expenses of the Division of Disbursement,
17 \$14,500,000.

18 BUREAU OF THE PUBLIC DEBT

19 ADMINISTERING THE PUBLIC DEBT

20 For necessary expenses connected with any public-debt
21 or currency issues of the United States, \$44,997,300, to be
22 expended as the Secretary of the Treasury may direct, and
23 the Secretary is authorized to accept services without com-
24 pensation: *Provided*, That Federal Reserve banks and
25 branches may be reimbursed for expenditures as fiscal agents

1 of the United States on account of public-debt transactions
2 for the account of the Secretary of the Treasury: *Provided*
3 *further*, That the indefinite appropriation provided by section
4 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
5 760), shall not be available for obligation during the current
6 fiscal year.

7 OFFICE OF THE TREASURER

8 SALARIES AND EXPENSES

9 For necessary expenses of the Office of the Treasurer,
10 \$15,499,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the verification and destruction of unfit United States
13 paper currency.

14 BUREAU OF CUSTOMS

15 SALARIES AND EXPENSES

16 For necessary expenses of the Bureau of Customs,
17 including expenses of attendance at meetings of organ-
18 izations concerned with the purposes of this appropriation;
19 purchase of fifty passenger motor vehicles for replacement
20 only; arms and ammunition; services as authorized by
21 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) ;
22 and, awards of compensation to informers as authorized by
23 the Act of August 13, 1953 (22 U. S. C. 401) ;
24 \$39,996,300.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$265,912,000: *Provided*, That not to exceed \$400,000 of the amount appropriated herein shall be available for expenses by contract for private facilities and instruction for training of employees under such regulations as may be prescribed by the Secretary of the Treasury.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension

1 of narcotic law violators who are fugitives from justice;
2 \$2,770,000.

3 UNITED STATES SECRET SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the United States Secret
6 Service, including purchase (not to exceed ten for replace-
7 ment only) and hire of passenger motor vehicles; and arms
8 and ammunition; \$2,438,000.

9 SALARIES AND EXPENSES, WHITE HOUSE POLICE

10 For necessary expenses of the White House Police,
11 including uniforms and equipment, and arms and ammu-
12 nition, purchases to be made in such manner as the Presi-
13 dent may determine, \$712,000.

14 SALARIES AND EXPENSES, GUARD FORCE

15 For necessary expenses of the guard force for Treasury
16 Department buildings in the District of Columbia, including
17 purchase, repair, and cleaning of uniforms; and arms and
18 ammunition; \$268,000.

19 BUREAU OF THE MINT

20 SALARIES AND EXPENSES

21 For necessary expenses of the Bureau of the Mint,
22 including arms and ammunition; purchase and maintenance
23 of uniforms and accessories for guards; and not to exceed

1 \$1,000 for the expenses of the annual assay commission;
2 \$4,450,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and main-
6 tenance of the Coast Guard, not otherwise provided for,
7 including services as authorized by section 15 of the Act
8 of August 2, 1946 (5 U. S. C. 55a) ; purchase of not to
9 exceed thirty-two passenger motor vehicles for replacement
10 only; maintenance, operation, and repair of aircraft; and
11 recreation and welfare; \$155,889,300: *Provided*, That the
12 number of aircraft on hand at any one time shall not exceed
13 one hundred and twenty-six exclusive of planes and parts
14 stored to meet future attrition: *Provided further*, That (a)
15 the unobligated balance of appropriation to the Coast Guard
16 for the fiscal year 1954 for "Operating expenses" shall be
17 transferred on July 1, 1954, to the account established
18 by the Surplus Fund-Certified Claims Act of 1949 for
19 payment of certified claims; (b) amounts equal to the
20 unliquidated obligations on July 1, 1954, against the ap-
21 propriation "Operating expenses", fiscal year 1954, and the
22 appropriation for "Operating expenses" for the fiscal year
23 1953 which was merged therewith pursuant to the Treasury
24 Department Appropriation Act, 1954, shall be transferred

1 to and merged with this appropriation, and such merged
2 appropriation shall be available as one fund, except for ac-
3 counting purposes of the Coast Guard, for the payment of
4 obligations properly incurred against such prior year appro-
5 priations and against this appropriation, but on July 1,
6 1955, there shall be transferred from such merged appro-
7 priation to the appropriation for payment of certified claims
8 (1) any remaining unexpended balance of the 1953 appro-
9 priation so transferred, and (2) any remaining unexpended
10 balance of the 1954 appropriation so transferred which is in
11 excess of the obligations then remaining unliquidated against
12 such appropriation: *Provided further*, That except as other-
13 wise authorized by the Act of September 30, 1950 (20
14 U. S. C. 236-244), this appropriation shall be available for
15 expenses of primary and secondary schooling for dependents
16 of Coast Guard personnel stationed outside the continental
17 United States in amounts not exceeding an average of \$250
18 per student, when it is determined by the Secretary that the
19 schools, if any, available in the locality are unable
20 to provide adequately for the education of such dependents,
21 and the Coast Guard may provide for the transportation of
22 said dependents between such schools and their places of
23 residence when the schools are not accessible to such de-
24 pendants by regular means of transportation.

1 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

2 For necessary expenses of acquisition, construction,
3 rebuilding, and improvement of aids to navigation, shore
4 facilities, vessels, and aircraft, including equipment related
5 thereto; and services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a) ; \$3,000,000, to remain
7 available until expended: *Provided*, That the Secretary may
8 transfer into this appropriation not to exceed \$2,000,000
9 from other Coast Guard appropriations for the replacement
10 of one additional seaplane, such funds transferred to remain
11 available until expended.

12 RETIREED PAY

13 For retired pay, including the payment of obligations
14 therefor incurred during prior fiscal years, and payments
15 under the Uniformed Services Contingency Option Act of
16 1953, \$19,775,000.

17 RESERVE TRAINING

18 For all necessary expenses for the Coast Guard Reserve,
19 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
20 231-319), including expenses for regular personnel, or
21 reserve personnel while on active duty, engaged pri-
22 marily in administration of the reserve program; and
23 the maintenance, operation, and repair of aircraft; \$2,500,-
24 000: *Provided*, That (a) the unobligated balance of

1 appropriation to the Coast Guard for the fiscal year 1954 for
2 "Reserve training" shall be transferred on July 1, 1954, to
3 the account established by the Surplus Fund-Certified Claims
4 Act of 1949 for payment of certified claims; (b) amounts
5 equal to the unliquidated obligations on July 1, 1954, against
6 the appropriation "Reserve training", fiscal year 1954, and
7 the appropriation "Reserve training", fiscal year 1953 which
8 was merged therewith pursuant to the Treasury Department
9 Appropriation Act, 1953, shall be transferred to and merged
10 with this appropriation, and such merged appropriation shall
11 be available as one fund, except for accounting purposes of
12 the Coast Guard, for the payment of obligations properly
13 incurred against such prior year appropriations and against
14 this appropriation, but on July 1, 1955, there shall be
15 transferred from such merged appropriation to the appro-
16 priation for payment of certified claims (1) any remaining
17 unexpended balance of the 1953 appropriation so trans-
18 ferred and (2) any remaining unexpended balance of the
19 1954 appropriation so transferred which is in excess of
20 the obligations then remaining unliquidated against such
21 appropriation.

22 SEC. 102. This title may be cited as the "Treasury
23 Department Appropriation Act, 1955".

1 TITLE II—POST OFFICE DEPARTMENT

2 For administration and operation of the Post Office
3 Department and the postal service, there is hereby appro-
4 priated the aggregate amount of postal revenues for the fiscal
5 year ending June 30, 1955, as authorized by law (39
6 U. S. C. 786, 794a); together with an amount from any
7 money in the Treasury not otherwise appropriated, equal
8 to the difference between such revenues and the total of the
9 appropriations hereinafter specified and the sum needed may
10 be advanced to the Post Office Department upon requisition
11 of the Postmaster General, for the following purposes,
12 namely:

13 CURRENT AUTHORIZATIONS OUT OF POSTAL
14 SERVICE FUND

15 ADMINISTRATION

16 For expenses, not otherwise provided for, necessary for
17 administration of the postal service, operation of the inspec-
18 tion service, and the conduct of a research and development
19 program, including services as authorized by section 15 of
20 the Act of August 2, 1946 (5 U. S. C. 55a) ; management
21 studies; not to exceed \$25,000 for miscellaneous and emer-
22 gency expenses; rewards for information and services con-
23 cerning violations of postal laws and regulations, current and
24 prior fiscal years, in accordance with regulations of the Post-
25 master General in effect at the time the services are rendered

1 or information furnished; and expenses of delegates desig-
2 nated by the Postmaster General to attend meetings and
3 congresses for the purpose of making postal arrangements
4 with foreign governments pursuant to law, and not to exceed
5 \$6,000 of such expenses to be accounted for solely on the
6 certificate of the Postmaster General; and not to exceed
7 \$20,000 for rewards, as provided for herein, shall be paid
8 in the discretion of the Postmaster General and accounted
9 for solely on his certificate; and settlement of claims, pur-
10 suant to law, current and prior fiscal years, for damages,
11 and for losses resulting from unavoidable casualty (39
12 U. S. C. 49) ; \$20,000,000.

13 OPERATIONS

14 For expenses necessary for the operation and adminis-
15 tration of post offices, not otherwise provided for, and for
16 other activities conducted by the Post Office Department
17 pursuant to law, \$1,899,776,000: *Provided*, That not to
18 exceed 5 per centum of any appropriation available to the
19 Post Office Department for the current fiscal year may be
20 transferred, with the approval of the Bureau of the Budget,
21 to any other such appropriation or appropriations; but the
22 appropriation "Administration" shall not be increased by
23 more than \$2,000,000 as a result of such transfers: *Pro-*
24 *vided further*, That functions financed by the appropriations

1 for the current fiscal year for "Administration" and for
2 "Operations," and the amounts appropriated therefor, may
3 be transferred, in addition to the appropriation transfers
4 otherwise authorized in this Act and with the approval of
5 the Bureau of the Budget, between such appropriations to
6 the extent necessary to improve administration and opera-
7 tions.

8 TRANSPORTATION

9 For expenses necessary for the administration and opera-
10 tion of the postal transportation service, including payments
11 for transportation of domestic and foreign mails by air, land,
12 and water transportation facilities, including current and prior
13 fiscal years settlements with foreign countries for handling
14 of mail; \$702,219,000.

15 FINANCE

16 For expenses necessary for the administration of the
17 financial services of the Post Office Department, includ-
18 ing the procurement of stamps and accountable paper;
19 \$8,501,000.

20 FACILITIES

21 For expenses necessary for the administration and opera-
22 tion of postal facilities, buildings, vehicles, and field postal
23 communication service; procurement of postal supplies and
24 equipment; storage and repair of vehicles owned by, or under
25 control of, units of the National Guard and departments and

1 agencies of the Federal Government where repairs are made
2 necessary because of utilization of such vehicles in the postal
3 service; \$124,890,000.

4 GENERAL PROVISIONS—POST OFFICE DEPARTMENT

5 SEC. 201. Appropriations made in this title shall be
6 available for expenditures in connection with accident
7 prevention.

8 SEC. 202. Appropriations made in this title available
9 for expenses of travel shall be available, under regulations
10 prescribed by the Postmaster General, for expenses of at-
11 tendance at meetings of technical, scientific, professional,
12 or other similar organizations concerned with the function or
13 activity for which the appropriation concerned is made.

14 SEC. 203. During the current fiscal year, and under
15 such regulations as may be prescribed by the Postmaster
16 General, not to exceed an aggregate of \$100,000 shall be
17 available from any funds available to the Post Office De-
18 partment, as may be determined by him, for expenses neces-
19 sary to enable the Department to participate in Federal
20 or non-Federal training programs and for necessary ex-
21 penses of training officers and employees (both departmental
22 and field postal services) in such subjects or courses of
23 instruction in either Federal or non-Federal facilities as
24 will contribute to the improved performance of their official

1 duties. *Provided*, That not more than forty-five of such
2 officers and employees may participate in any training pro-
3 gram in a non-Federal facility which is of more than ninety
4 days duration.

5 SEC. 204. Hereafter, indemnities for the loss of or
6 damage to registered, insured and collect-on-delivery mail
7 and the expense of manufacturing embossed stamped en-
8 velopes (printed or unprinted) shall be paid from postal
9 revenues.

10 SEC. 205. Hereafter, money orders shall be paid from
11 the receipts representing the face value of money orders
12 heretofore or hereafter issued.

13 SEC. 206. Not exceeding \$1,000,000 of appropria-
14 tions in this title shall be available for payment to the Gen-
15 eral Services Administration of such additional sums as may
16 be necessary for the repair, alteration, preservation, renova-
17 tion, improvement, and equipment of federally owned prop-
18 erty used for postal purposes.

19 SEC. 207. This title may be cited as the "Post Office
20 Department Appropriation Act, 1955".

21 TITLE III—GOVERNMENT CORPORATIONS

22 The following corporation is hereby authorized to make
23 such expenditures, within the limits of funds and borrowing
24 authority available to such corporation, and in accord with
25 law, and to make such contracts and commitments without

1 regard to fiscal year limitations as provided by section 104
2 of the Government Corporation Control Act, as amended,
3 as may be necessary in carrying out the programs set forth
4 in the budget for the fiscal year 1955 for such corporation,
5 except as hereinafter provided:

6 EXPORT-IMPORT BANK OF WASHINGTON

7 LIMITATION ON EXPENSES

8 Not to exceed \$1,070,000 (to be computed on an
9 accrual basis) of the funds of the Export-Import Bank
10 of Washington shall be available during the current
11 fiscal year for all administrative expenses of the bank, in-
12 cluding services as authorized by section 15 of the Act of
13 August 2, 1946 (5 U. S. C. 55a) : *Provided*, That necessary
14 expenses (including special services performed on a contract
15 or fee basis, but not including other personal services) in
16 connection with the acquisition, operation, maintenance, im-
17 provement, or disposition of any real or personal property
18 belonging to the bank or in which it has an interest including
19 expenses of collections of pledged collateral, or the investi-
20 gation or appraisal of any property in respect to which an
21 application for a loan has been made, shall be considered as
22 nonadministrative expenses for the purposes hereof.

23 RECONSTRUCTION FINANCE CORPORATION

24 The Treasury Department is hereby authorized to make
25 such expenditures, within the limits of funds and borrowing

1 authority available to it from Reconstruction Finance Cor-
2 poration activities, and in accord with law, and to make such
3 contracts and commitments without regard to fiscal year
4 limitations as provided by section 104 of the Government
5 Corporation Control Act, as amended, as may be necessary
6 in carrying out the programs set forth in the budget for the
7 fiscal year 1955 for each such activity, except as hereinafter
8 provided:

9 ADMINISTRATIVE EXPENSES OF LIQUIDATING THE
10 RECONSTRUCTION FINANCE CORPORATION

11 Not to exceed \$3,500,000 (to be computed on an
12 accrual basis) of the funds derived from Reconstruction
13 Finance Corporation activities (except those conducted under
14 Section 409 of the Federal Civil Defense Act of 1950),
15 shall be available during the current fiscal year for admin-
16 istrative expenses incident to the liquidation of said Cor-
17 poration, including use of the services and facilities of the
18 Federal Reserve banks: *Provided*, That as used herein the
19 term "administrative expenses" shall be construed to include
20 all salaries and wages, services performed on a contract or fee
21 basis, and travel and other expenses, including the purchase
22 of equipment and supplies, of administrative offices: *Pro-*
23 *vided further*, That the limiting amount heretofore stated for
24 administrative expenses shall be increased by an amount
25 which does not exceed the aggregate cost of salaries, wages,

1 travel, and other expenses of persons employed outside the
2 continental United States; the expenses of services performed
3 on a contract or fee basis in connection with the termination
4 of contracts or in the performance of legal services, and all
5 administrative expenses reimbursable from other Government
6 agencies: *Provided further*, That the distribution of admin-
7 istrative expenses to the accounts of the Corporation shall be
8 made in accordance with generally recognized accounting
9 principles and practices.

10 SEC. 301. This title may be cited as the Export-Import
11 Bank of Washington, and Reconstruction Finance Corpora-
12 tion Appropriation Act, 1955.

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. No part of any appropriation contained in
15 this Act shall be used to pay the salary or wages of any
16 person who engages in a strike against the Government of
17 the United States or who is a member of an organization
18 of Government employees that asserts the right to strike
19 against the Government of the United States, or who advo-
20 cates, or is a member of an organization that advocates, the
21 overthrow of the Government of the United States by force
22 or violence: *Provided*, That for the purposes hereof an affi-
23 davit shall be considered prima facie evidence that the per-
24 son making the affidavit has not contrary to the provisions
25 of this section engaged in a strike against the Government

1 of the United States, is not a member of an organization of
2 Government employees that asserts the right to strike
3 against the Government of the United States, or that such
4 person does not advocate, and is not a member of an organi-
5 zation that advocates, the overthrow of the Government of
6 the United States by force or violence: *Provided further,*
7 That any person who engages in a strike against the Gov-
8 ernment of the United States or who is a member of an
9 organization of Government employees that asserts the right
10 to strike against the Government of the United States, or
11 who advocates, or who is a member of an organization that
12 advocates, the overthrow of the Government of the United
13 States by force or violence and accepts employment the
14 salary or wages for which are paid from any appropriation
15 or fund contained in this Act shall be guilty of a felony and,
16 upon conviction, shall be fined not more than \$1,000 or
17 imprisoned for not more than one year, or both: *Provided*
18 *further,* That the above penalty clause shall be in addition
19 to, and not in substitution for, any other provisions of exist-
20 ing law.

83^d CONGRESS
2^d SESSION

H. R. 7893

[Report No. 1200]

A BILL

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

By Mr. CANFIELD

FEBRUARY 16, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 19, 1954

For actions of February 18, 1954

83rd-2nd, No. 31

OFFICE OF BUDGET AND FINANCE

(For Department Staff Only)

CONTENTS

Adjournment.....10	Flood control.....15	Reclamation.....16
Appropriations.....4,5	Grain.....13	Reports.....6
Coffee prices.....2	Legislative program....3,10	St. Lawrence Seaway.....7,17
C.C.C.....4	Loans, farm.....21	Soil conservation.....21
Compensation.....20	Marketing.....21	Surplus food.....12
Dairy products.....1,22	Milk.....22	Tariffs.....8
Education.....14	Organization, executive..11	Trade, foreign.....8
Electrification.....11	Personnel.....6,20	Transportation.....19
Expenditures.....8	Prices, support.1,9,13,21,22	Tuna-fish, imports.....8
Farm program.....18		

HIGHLIGHTS: House passed Treasury-Post Office appropriation bill. Sen. Humphrey criticized Secretary's reduction of dairy price supports. Sen. Lehman claimed dairy farmer price squeeze. Rep. O'Hara (Minn.) introduced bill to limit dairy price supports reduction.

SENATE

1. PRICE SUPPORTS. Sen. Humphrey analyzed the Secretary's press release on reduction of dairy price supports and claimed that the Secretary's decision was wrong under the circumstances described in the release (pp. 1903-05).

Sen. Lehman claimed that the Secretary's action on dairy products placed the dairy farmer in a "devastating squeeze" of high feed costs and lower prices received, and inserted a Dairymen's League Cooperative Association letter proposing an amendment to limit reduction of dairy price supports to 5% a year (pp. 1867-68).

Sen. Langer inserted an Ellendale Farmers Union Cooperative Association letter opposing flexible price supports, and Sen. Wiley inserted a letter protesting the Secretary's reduction of dairy price supports (pp. 1863-64, 1866).

2. COFFEE PRICES. Received a Baltimore Council petition favoring investigation of high coffee prices (p. 1863).

3. LEGISLATIVE PROGRAM. Majority Leader Knowland announced that on Monday there will be only the reading of Washington's Farewell Address and that there will be a call of the Calendar probably Wed. or Thurs. (p. 1903).

HOUSE

4. TREASURY-POST OFFICE APPROPRIATION BILL, 1955. Passed without amendment this bill, H.R. 7893 (pp. 1908-24). During the debate, Rep. Canfield explained the issuance of three separate offerings of CCC certificates of interest and inserted a table showing the amounts and interest rates thereon (p. 1911).

5. SUPPLEMENTAL APPROPRIATIONS. Permission was granted the Appropriations Committee until midnight Fri., Feb. 19, to file their report on the second supplemental appropriation bill for 1954 (p. 1906).

6. REPORTS. A subcommittee of the Government Operations Committee approved two reports for consideration by the full committee: "Use of Nonappropriated Funds by Executive Agencies" and "Security and Personnel Practices and Procedures of the State Department" (p. D165).
7. ST. LAWRENCE SEAWAY. Permission was granted the Public Works Committee until midnight Fri., Feb. 19, to file their report on S. 2150, to create the St. Lawrence Seaway Development Corporation (p. 1924).
8. TUNA-FISH IMPORTS. Rep. Utt spoke opposing "unrestricted imports" of Japanese tuna fish (pp. 1907-8).
9. PRICE SUPPORTS. Chairman Hope announced that the Agriculture Committee will begin hearings Mar. 10 on general farm legislation and that Secretary Benson has been invited to appear as the first witness, to be followed by national farm organizations, commodity groups, and individuals. Rep. Hope said he expects the hearings to be completed within four weeks. (p. D165).
10. ADJOURNED until Mon., Feb. 22 (p. 1925). The Legislative Program as announced by Majority Leader Halleck: Mon., reading of Washington's Farewell Address will be the entire program; Tues., second supplemental appropriation bill for 1954, and, if cleared by the Rules Committee, the Mexican farm labor bill (p. 1924).

ITEMS IN APPENDIX

11. ELECTRIFICATION; ORGANIZATION. Sen. Langer inserted an Evening Star article favoring the plan for the Hoover Commission to hold hearings on water resources and power open to public scrutiny and stating that "farmers' electric cooperatives are fearful of what may come out of the Hoover Commission under the guise of improved governmental organization (p. A1344).
12. SURPLUS FOOD. Sen. Martin inserted a newspaper editorial urging "a program of aggressive, nationwide selling to move surpluses into the hands of consumers" (p. A1345).
13. PRICE SUPPORTS. Sen. Langer inserted a Benson County Farmers' Union article urging grain farmers to oppose flexible farm prices (pp. A1346-47).
14. EDUCATION. Sen. Fulbright inserted 2 New York Herald Tribune articles discussing the background and some of the results of Fulbright Scholarships (pp. 1345-46).
15. FLOOD CONTROL. Rep. Reed inserted his statement before the House Appropriations Civil Functions Subcommittee in favor of the Wellsville Flood-control project and Rep. Hillings inserted Col. H. E. Hedger's statement on the flood control needs of Los Angeles County (pp. A1340, A1353-54).
16. RECLAMATION. Rep. Stringfellow inserted T. W. Jensen's (Utah Water Users Association) letter claiming that Echo Park Dam "will provide urgently needed efficient storage" for irrigation purposes (pp. A1342-43).
17. ST. LAWRENCE SEAWAY. Various editorials were inserted praising Sen. Kennedy's approval of and Rep. Van Zandt inserted a Philadelphia Enquirer editorial opposing this project (pp. A1332-33, A1335-36, A1338-45, A1347).

83^D CONGRESS
2^D SESSION

H. R. 7893

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19 (legislative day, FEBRUARY 8), 1954

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury

1 Department for the fiscal year ending June 30, 1955,
2 namely:

3 OFFICE OF THE SECRETARY

4 SALARIES AND EXPENSES

5 For necessary expenses in the Office of the Secretary,
6 including the operation and maintenance of the Treasury
7 Building and Annex thereof; and the purchase of uniforms
8 for elevator operators; \$2,600,000.

9 BUREAU OF ACCOUNTS

10 SALARIES AND EXPENSES

11 For necessary expenses of the Bureau of Accounts,
12 \$2,548,700: *Provided*, That Federal Reserve banks and
13 branches may be reimbursed for necessary expenses incident
14 to the deposit of taxes in Government depositories.

15 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

16 For necessary expenses of the Division of Disbursement,
17 \$14,500,000.

18 BUREAU OF THE PUBLIC DEBT

19 ADMINISTERING THE PUBLIC DEBT

20 For necessary expenses connected with any public-debt
21 or currency issues of the United States, \$44,997,300, to be
22 expended as the Secretary of the Treasury may direct, and
23 the Secretary is authorized to accept services without com-
24 pensation: *Provided*, That Federal Reserve banks and
25 branches may be reimbursed for expenditures as fiscal agents

1 of the United States on account of public-debt transactions
2 for the account of the Secretary of the Treasury: *Provided*
3 *further*, That the indefinite appropriation provided by section
4 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
5 760), shall not be available for obligation during the current
6 fiscal year.

7 OFFICE OF THE TREASURER

8 SALARIES AND EXPENSES

9 For necessary expenses of the Office of the Treasurer,
10 \$15,499,000: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the verification and destruction of unfit United States
13 paper currency.

14 BUREAU OF CUSTOMS

15 SALARIES AND EXPENSES

16 For necessary expenses of the Bureau of Customs,
17 including expenses of attendance at meetings of organ-
18 izations concerned with the purposes of this appropriation;
19 purchase of fifty passenger motor vehicles for replacement
20 only; arms and ammunition; services as authorized by
21 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
22 and, awards of compensation to informers as authorized by
23 the Act of August 13, 1953 (22 U. S. C. 401);
24 \$39,996,300.

1 INTERNAL REVENUE SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the Internal Revenue Service,
4 including expenses, when specifically authorized by the
5 Commissioner, of attendance at meetings of organizations
6 concerned with internal-revenue matters; purchase (not
7 to exceed one hundred for replacement only) and hire of
8 passenger motor vehicles; services as authorized by section
9 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
10 expert witnesses at such rates as may be determined by the
11 Commissioner; and ammunition; \$265,912,000: *Provided*,
12 That not to exceed \$400,000 of the amount appropriated
13 herein shall be available for expenses by contract for private
14 facilities and instruction for training of employees under such
15 regulations as may be prescribed by the Secretary of the
16 Treasury.

17 BUREAU OF NARCOTICS

18 SALARIES AND EXPENSES

19 For necessary expenses of the Bureau of Narcotics,
20 including services as authorized by section 15 of the Act of
21 August 2, 1946 (5 U. S. C. 55a) ; hire of passenger motor
22 vehicles; arms and ammunition; and not to exceed \$10,000
23 for services or information looking toward the apprehension

1 of narcotic law violators who are fugitives from justice;
2 \$2,770,000.

3 UNITED STATES SECRET SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the United States Secret
6 Service, including purchase (not to exceed ten for replace-
7 ment only) and hire of passenger motor vehicles; and arms
8 and ammunition; \$2,438,000.

9 SALARIES AND EXPENSES, WHITE HOUSE POLICE

10 For necessary expenses of the White House Police,
11 including uniforms and equipment, and arms and ammu-
12 nition, purchases to be made in such manner as the Presi-
13 dent may determine, \$712,000.

14 SALARIES AND EXPENSES, GUARD FORCE

15 For necessary expenses of the guard force for Treasury
16 Department buildings in the District of Columbia, including
17 purchase, repair, and cleaning of uniforms; and arms and
18 ammunition; \$268,000.

19 BUREAU OF THE MINT

20 SALARIES AND EXPENSES

21 For necessary expenses of the Bureau of the Mint,
22 including arms and ammunition; purchase and maintenance
23 of uniforms and accessories for guards; and not to exceed

1 \$1,000 for the expenses of the annual assay commission;
2 \$4,450,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and main-
6 tenance of the Coast Guard, not otherwise provided for,
7 including services as authorized by section 15 of the Act
8 of August 2, 1946 (5 U. S. C. 55a); purchase of not to
9 exceed thirty-two passenger motor vehicles for replacement
10 only; maintenance, operation, and repair of aircraft; and
11 recreation and welfare; \$155,889,300: *Provided*, That the
12 number of aircraft on hand at any one time shall not exceed
13 one hundred and twenty-six exclusive of planes and parts
14 stored to meet future attrition: *Provided further*, That (a)
15 the unobligated balance of appropriation to the Coast Guard
16 for the fiscal year 1954 for "Operating expenses" shall be
17 transferred on July 1, 1954, to the account established
18 by the Surplus Fund-Certified Claims Act of 1949 for
19 payment of certified claims; (b) amounts equal to the
20 unliquidated obligations on July 1, 1954, against the ap-
21 propriation "Operating expenses", fiscal year 1954, and the
22 appropriation for "Operating expenses" for the fiscal year
23 1953 which was merged therewith pursuant to the Treasury
24 Department Appropriation Act, 1954, shall be transferred

1 to and merged with this appropriation, and such merged
2 appropriation shall be available as one fund, except for ac-
3 counting purposes of the Coast Guard, for the payment of
4 obligations properly incurred against such prior year appro-
5 priations and against this appropriation, but on July 1,
6 1955, there shall be transferred from such merged appro-
7 priation to the appropriation for payment of certified claims
8 (1) any remaining unexpended balance of the 1953 appro-
9 priation so transferred, and (2) any remaining unexpended
10 balance of the 1954 appropriation so transferred which is in
11 excess of the obligations then remaining unliquidated against
12 such appropriation: *Provided further*, That except as other-
13 wise authorized by the Act of September 30, 1950 (20
14 U. S. C. 236-244), this appropriation shall be available for
15 expenses of primary and secondary schooling for dependents
16 of Coast Guard personnel stationed outside the continental
17 United States in amounts not exceeding an average of \$250
18 per student, when it is determined by the Secretary that the
19 schools, if any, available in the locality are unable
20 to provide adequately for the education of such dependents,
21 and the Coast Guard may provide for the transportation of
22 said dependents between such schools and their places of
23 residence when the schools are not accessible to such de-
24 pendants by regular means of transportation.

1 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

2 For necessary expenses of acquisition, construction,
3 rebuilding, and improvement of aids to navigation, shore
4 facilities, vessels, and aircraft, including equipment related
5 thereto; and services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a) ; \$3,000,000, to remain
7 available until expended: *Provided*, That the Secretary may
8 transfer into this appropriation not to exceed \$2,000,000
9 from other Coast Guard appropriations for the replacement
10 of one additional seaplane, such funds transferred to remain
11 available until expended.

12 RETIRED PAY

13 For retired pay, including the payment of obligations
14 therefor incurred during prior fiscal years, and payments
15 under the Uniformed Services Contingency Option Act of
16 1953, \$19,775,000.

17 RESERVE TRAINING

18 For all necessary expenses for the Coast Guard Reserve,
19 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
20 231-319), including expenses for regular personnel, or
21 reserve personnel while on active duty, engaged pri-
22 marily in administration of the reserve program; and
23 the maintenance, operation, and repair of aircraft; \$2,500,-
24 000: *Provided*, That (a) the unobligated balance of

1 appropriation to the Coast Guard for the fiscal year 1954 for
2 "Reserve training" shall be transferred on July 1, 1954, to
3 the account established by the Surplus Fund-Certified Claims
4 Act of 1949 for payment of certified claims; (b) amounts
5 equal to the unliquidated obligations on July 1, 1954, against
6 the appropriation "Reserve training", fiscal year 1954, and
7 the appropriation "Reserve training", fiscal year 1953 which
8 was merged therewith pursuant to the Treasury Department
9 Appropriation Act, 1953, shall be transferred to and merged
10 with this appropriation, and such merged appropriation shall
11 be available as one fund, except for accounting purposes of
12 the Coast Guard, for the payment of obligations properly
13 incurred against such prior year appropriations and against
14 this appropriation, but on July 1, 1955, there shall be
15 transferred from such merged appropriation to the appro-
16 priation for payment of certified claims (1) any remaining
17 unexpended balance of the 1953 appropriation so trans-
18 ferred and (2) any remaining unexpended balance of the
19 1954 appropriation so transferred which is in excess of
20 the obligations then remaining unliquidated against such
21 appropriation.

22 SEC. 102. This title may be cited as the "Treasury
23 Department Appropriation Act, 1955".

1 **TITLE II—POST OFFICE DEPARTMENT**

2 For administration and operation of the Post Office
3 Department and the postal service, there is hereby appro-
4 priated the aggregate amount of postal revenues for the fiscal
5 year ending June 30, 1955, as authorized by law (39
6 U. S. C. 786, 794a), together with an amount from any
7 money in the Treasury not otherwise appropriated, equal
8 to the difference between such revenues and the total of the
9 appropriations hereinafter specified and the sum needed may
10 be advanced to the Post Office Department upon requisition
11 of the Postmaster General, for the following purposes,
12 namely:

13 **CURRENT AUTHORIZATIONS OUT OF POSTAL**

14 **SERVICE FUND**

15 **ADMINISTRATION**

16 For expenses, not otherwise provided for, necessary for
17 administration of the postal service, operation of the inspec-
18 tion service, and the conduct of a research and development
19 program, including services as authorized by section 15 of
20 the Act of August 2, 1946 (5 U. S. C. 55a) ; management
21 studies; not to exceed \$25,000 for miscellaneous and emer-
22 gency expenses; rewards for information and services con-
23 cerning violations of postal laws and regulations, current and
24 prior fiscal years, in accordance with regulations of the Post-
25 master General in effect at the time the services are rendered

1 or information furnished; and expenses of delegates desig-
2 nated by the Postmaster General to attend meetings and
3 congresses for the purpose of making postal arrangements
4 with foreign governments pursuant to law, and not to exceed
5 \$6,000 of such expenses to be accounted for solely on the
6 certificate of the Postmaster General; and not to exceed
7 \$20,000 for rewards, as provided for herein, shall be paid
8 in the discretion of the Postmaster General and accounted
9 for solely on his certificate; and settlement of claims, pur-
10 suant to law, current and prior fiscal years, for damages,
11 and for losses resulting from unavoidable casualty (39
12 U. S. C. 49) ; \$20,000,000.

13 OPERATIONS

14 For expenses necessary for the operation and adminis-
15 tration of post offices, not otherwise provided for, and for
16 other activities conducted by the Post Office Department
17 pursuant to law, \$1,899,776,000: *Provided*, That not to
18 exceed 5 per centum of any appropriation available to the
19 Post Office Department for the current fiscal year may be
20 transferred, with the approval of the Bureau of the Budget,
21 to any other such appropriation or appropriations; but the
22 appropriation "Administration" shall not be increased by
23 more than \$2,000,000 as a result of such transfers: *Pro-*
24 *vided further*, That functions financed by the appropriations

1 for the current fiscal year for "Administration" and for
2 "Operations," and the amounts appropriated therefor, may
3 be transferred, in addition to the appropriation transfers
4 otherwise authorized in this Act and with the approval of
5 the Bureau of the Budget, between such appropriations to
6 the extent necessary to improve administration and opera-
7 tions.

8 TRANSPORTATION

9 For expenses necessary for the administration and opera-
10 tion of the postal transportation service, including payments
11 for transportation of domestic and foreign mails by air, land,
12 and water transportation facilities, including current and prior
13 fiscal years settlements with foreign countries for handling
14 of mail; \$702,219,000.

15 FINANCE

16 For expenses necessary for the administration of the
17 financial services of the Post Office Department, includ-
18 ing the procurement of stamps and accountable paper;
19 \$8,501,000.

20 FACILITIES

21 For expenses necessary for the administration and opera-
22 tion of postal facilities, buildings, vehicles, and field postal
23 communication service; procurement of postal supplies and
24 equipment; storage and repair of vehicles owned by, or under
25 control of, units of the National Guard and departments and

1 agencies of the Federal Government where repairs are made
2 necessary because of utilization of such vehicles in the postal
3 service; \$124,890,000.

4 GENERAL PROVISIONS—POST OFFICE DEPARTMENT

5 SEC. 201. Appropriations made in this title shall be
6 available for expenditures in connection with accident
7 prevention.

8 SEC. 202. Appropriations made in this title available
9 for expenses of travel shall be available, under regulations
10 prescribed by the Postmaster General, for expenses of at-
11 tendance at meetings of technical, scientific, professional,
12 or other similar organizations concerned with the function or
13 activity for which the appropriation concerned is made.

14 SEC. 203. During the current fiscal year, and under
15 such regulations as may be prescribed by the Postmaster
16 General, not to exceed an aggregate of \$100,000 shall be
17 available from any funds available to the Post Office De-
18 partment, as may be determined by him, for expenses neces-
19 sary to enable the Department to participate in Federal
20 or non-Federal training programs and for necessary ex-
21 penses of training officers and employees (both departmental
22 and field postal services) in such subjects or courses of
23 instruction in either Federal or non-Federal facilities as
24 will contribute to the improved performance of their official

1 duties. *Provided*, That not more than forty-five of such
2 officers and employees may participate in any training pro-
3 gram in a non-Federal facility which is of more than ninety
4 days duration.

5 SEC. 204. Hereafter, indemnities for the loss of or
6 damage to registered, insured and collect-on-delivery mail
7 and the expense of manufacturing embossed stamped en-
8 velopes (printed or unprinted) shall be paid from postal
9 revenues.

10 SEC. 205. Hereafter, money orders shall be paid from
11 the receipts representing the face value of money orders
12 heretofore or hereafter issued.

13 SEC. 206. Not exceeding \$1,000,000 of appropria-
14 tions in this title shall be available for payment to the Gen-
15 eral Services Administration of such additional sums as may
16 be necessary for the repair, alteration, preservation, renova-
17 tion, improvement, and equipment of federally owned prop-
18 erty used for postal purposes.

19 SEC. 207. This title may be cited as the "Post Office
20 Department Appropriation Act, 1955".

21 TITLE III—GOVERNMENT CORPORATIONS

22 The following corporation is hereby authorized to make
23 such expenditures, within the limits of funds and borrowing
24 authority available to such corporation, and in accord with
25 law, and to make such contracts and commitments without

1 regard to fiscal year limitations as provided by section 104
2 of the Government Corporation Control Act, as amended,
3 as may be necessary in carrying out the programs set forth
4 in the budget for the fiscal year 1955 for such corporation,
5 except as hereinafter provided:

6 EXPORT-IMPORT BANK OF WASHINGTON

7 LIMITATION ON EXPENSES

8 Not to exceed \$1,070,000 (to be computed on an
9 accrual basis) of the funds of the Export-Import Bank
10 of Washington shall be available during the current
11 fiscal year for all administrative expenses of the bank, in-
12 cluding services as authorized by section 15 of the Act of
13 August 2, 1946 (5 U. S. C. 55a) : *Provided*, That necessary
14 expenses (including special services performed on a contract
15 or fee basis, but not including other personal services) in
16 connection with the acquisition, operation, maintenance, im-
17 provement, or disposition of any real or personal property
18 belonging to the bank or in which it has an interest including
19 expenses of collections of pledged collateral, or the investi-
20 gation or appraisal of any property in respect to which an
21 application for a loan has been made, shall be considered as
22 nonadministrative expenses for the purposes hereof.

23 RECONSTRUCTION FINANCE CORPORATION

24 The Treasury Department is hereby authorized to make
25 such expenditures, within the limits of funds and borrowing

1 authority available to it from Reconstruction Finance Cor-
2 poration activities, and in accord with law, and to make such
3 contracts and commitments without regard to fiscal year
4 limitations as provided by section 104 of the Government
5 Corporation Control Act, as amended, as may be necessary
6 in carrying out the programs set forth in the budget for the
7 fiscal year 1955 for each such activity, except as hereinafter
8 provided:

9 ADMINISTRATIVE EXPENSES OF LIQUIDATING THE
10 RECONSTRUCTION FINANCE CORPORATION

11 Not to exceed \$3,500,000 (to be computed on an
12 accrual basis) of the funds derived from Reconstruction
13 Finance Corporation activities (except those conducted under
14 Section 409 of the Federal Civil Defense Act of 1950),
15 shall be available during the current fiscal year for admin-
16 istrative expenses incident to the liquidation of said Cor-
17 poration, including use of the services and facilities of the
18 Federal Reserve banks: *Provided*, That as used herein the
19 term "administrative expenses" shall be construed to include
20 all salaries and wages, services performed on a contract or fee
21 basis, and travel and other expenses, including the purchase
22 of equipment and supplies, of administrative offices: *Pro-*
23 *vided further*, That the limiting amount heretofore stated for
24 administrative expenses shall be increased by an amount
25 which does not exceed the aggregate cost of salaries, wages,

1 travel, and other expenses of persons employed outside the
2 continental United States; the expenses of services performed
3 on a contract or fee basis in connection with the termination
4 of contracts or in the performance of legal services, and all
5 administrative expenses reimbursable from other Government
6 agencies: *Provided further*, That the distribution of admin-
7 istrative expenses to the accounts of the Corporation shall be
8 made in accordance with generally recognized accounting
9 principles and practices.

10 SEC. 301. This title may be cited as the Export-Import
11 Bank of Washington, and Reconstruction Finance Corpora-
12 tion Appropriation Act, 1955.

13 TITLE IV—GENERAL PROVISIONS

14 SEC. 401. No part of any appropriation contained in
15 this Act shall be used to pay the salary or wages of any
16 person who engages in a strike against the Government of
17 the United States or who is a member of an organization
18 of Government employees that asserts the right to strike
19 against the Government of the United States, or who advo-
20 cates, or is a member of an organization that advocates, the
21 overthrow of the Government of the United States by force
22 or violence: *Provided*, That for the purposes hereof an affi-
23 davit shall be considered prima facie evidence that the per-
24 son making the affidavit has not contrary to the provisions
25 of this section engaged in a strike against the Government

1 of the United States, is not a member of an organization of
2 Government employees that asserts the right to strike
3 against the Government of the United States, or that such
4 person does not advocate, and is not a member of an organi-
5 zation that advocates, the overthrow of the Government of
6 the United States by force or violence: *Provided further,*
7 That any person who engages in a strike against the Gov-
8 ernment of the United States or who is a member of an
9 organization of Government employees that asserts the right
10 to strike against the Government of the United States, or
11 who advocates, or who is a member of an organization that
12 advocates, the overthrow of the Government of the United
13 States by force or violence and accepts employment the
14 salary or wages for which are paid from any appropriation
15 or fund contained in this Act shall be guilty of a felony and,
16 upon conviction, shall be fined not more than \$1,000 or
17 imprisoned for not more than one year, or both: *Provided*
18 *further,* That the above penalty clause shall be in addition
19 to, and not in substitution for, any other provisions of exist-
20 ing law.

Passed the House of Representatives February 18, 1954.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

FEBRUARY 19 (legislative day, FEBRUARY 8), 1954
Read twice and referred to the Committee on
Appropriations

escaped the clutches of the Communist regime in Czechoslovakia. All those who joined in the crusade for the freedom of John Hvasta asked for no greater reward than the satisfaction of seeing their task brought to a happy conclusion. I am proud to have been able to contribute in some small measure to this work, but above all I am happy to be able to stand before you today and to say, "Welcome home, John."

For 5 heartbreaking years, the family of John Hvasta lived in agonizing fear. None knew whether he would ever come home again. In 1948 John had gone to Czechoslovakia as a student. For awhile he was employed in our consular offices in Bratislava. He was mysteriously imprisoned by the Communist government in the fall of that year and sentenced to 3 years imprisonment on charges of espionage. Later that sentence was extended to 10 years. These charges were without any foundation, the fantastic fabrications of the Communist Czech Government. All attempts to obtain his release failed, and for a while John Hvasta became a forgotten man. Then, early in 1952, John took part in a six-man break from Leopoldov prison where he was being held. For 21 months he eluded the Czech secret police, helped as he himself has said, by God, and by many of the brave Czech people, who for their own sakes must remain nameless. His dramatic flight came to an end when he sought asylum in the American Embassy in Prague. Through the work of our new Ambassador, the Honorable U. Alexis Johnson, Mr. Hvasta's release was negotiated. It was a release secured not by shameful bargains and concessions, but through forceful negotiations on our part.

That John Hvasta is here today is proof enough to the American people that no individual is too insignificant or unimportant to merit every effort our Government can make to help him when he is in trouble. When the Hvastas came to this country in 1938, they did so to seek refuge from the Nazi tyranny and despotism which were soon to annihilate the rights of Czechoslovakia and its citizens. They adopted this land as their own. They know today what democracy can mean and do for the individual. But they and John knew it even in the dark days of his imprisonment. They had faith in freedom and in God, a faith which they never gave up. And today that faith has been justified.

PLEDGE OF ALLEGIANCE TO THE FLAG

(Mr. OLIVER P. BOLTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. OLIVER P. BOLTON. Mr. Speaker, I rise today to add my voice to that of several of my esteemed colleagues who have proposed that the words "under God" be added to the Pledge of Allegiance to the flag of the United States.

Since having the privilege of attending the annual dinner of the Washington Pilgrimage of American Churchmen in 1953, at which this proposal was made, I have been studying it and discussing it

with constituents in my district of various religious denominations.

I am able to report that the suggestion appears to have the support of Protestants, Catholics, and Jews alike, and I believe that there is strong public sentiment in favor of adding a recognition of the Deity to this pledge which is recited daily in schools across the Nation and on many patriotic occasions.

Particularly does it seem appropriate to offer this resolution in the period when we are commemorating the birthdays of two great Presidents, Lincoln and Washington, who repeatedly expressed the conviction that our Nation needs to recognize God if it is to attain true greatness.

It was Abraham Lincoln who first used the expression "this Nation under God" in his immortal Gettysburg Address.

History records no stronger exhortation to the American people to recognize the sovereignty of God than that which Lincoln voiced in his proclamation of March 30, 1863, calling for a national day of prayer. Speaking—as he might have done to Americans of this day, too—Lincoln said:

We have been the recipients of the choicest bounty of heaven; we have grown in numbers, wealth, and power as no other nation has ever grown. But we have forgotten God. We have forgotten the gracious hand which preserved us in peace and enriched and strengthened us, and we have vainly imagined in the deceitfulness of our hearts, that all these blessings were produced by some superior wisdom and virtue of our own. Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to the God that made us.

I am reminded, too, Mr. Speaker, as I offer this resolution, of the words of George Washington in his first inaugural at New York City April 30, 1789, when he said:

No people can be bound to acknowledge and adore the invisible hand which conducts the affairs of men more than those of the United States. Every step by which we have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency.

President Washington acknowledged that sovereignty of God in the affairs of men which Samuel Adams so aptly expressed when, upon the signing of the Declaration of Independence severing the Colonies from the rule of George III, he remarked:

We have this day restored the sovereign to whom men alone ought to be obedient. He reigns in heaven.

Our own great President of this day, Dwight D. Eisenhower, has repeatedly in his public utterances expressed the conviction that except as America recognizes the spiritual foundation of our democratic institutions and the divine God-given dignity of man, we cannot preserve these free institutions against the forces of atheist materialism which surround us.

It is my belief that if we daily pledge allegiance to our flag as a symbol of "one nation under God, indivisible, with liberty and justice for all," we shall be reaffirming a basic truth. Our pledge

of allegiance is not complete without a recognition of our basic faith.

Mr. Speaker, I am happy to join with my colleagues, Mr. RABAUT, Mr. PILLION, Mr. MILLER of New York, and Mr. OAKMAN, in giving bipartisan, interfaith support to this proposal. It is my sincere hope that we will listen to the words of Lincoln, Washington, and other great men and will add this recognition of basic faith to our affirmation of our loyalty.

TUNAFISH IMPORTS

(Mr. UTT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. UTT. Mr. Speaker, I have read with interest and considerable surprise the article in the current issue of Look magazine, by Mr. Paul G. Hoffman, chairman of the board of Studebaker Corp., former head of ECA, and chief exponent of free trade. Most of his statements are irresponsible, and not supported by fact. He said that in a talk with a Japanese businessman, he was told that Japan would buy thousands of American automobiles if they could get dollars. I quote from the article:

He—

A Japanese businessman—

was too polite to suggest that Japan's efforts to earn dollars by selling goods to us had met with one rebuff after another. When the Japanese tried to sell us tunafish and other products, they bumped into insurmountable barriers set up by American businessmen.

THE FACTS ON TUNAFISH IMPORTS

The tunafish industry on the West Coast normally employs around 30,000 fisherman and workers, and in 1952 the domestic production was a \$150,000,000 industry. But this was a much smaller percentage of the total domestic market than in previous years, since, although total consumption has increased, the percentage of the local market usurped by imports, principally from Japan, and, to a lesser degree, from South America, has gone up tremendously.

Imports in recent years:

	Pounds
Frozen tuna:	
1948	9,143,000
1949	20,606,000
1950	56,712,000
1951	62,085,000
1952	69,003,000
1953 (first 10 months)	82,577,000
Tuna in brine:	Cases
1948	1,000
1949	4,000
1950	18,000
1951	445,000
1952	906,000
1953 (first 10 months)	1,105,000

FLEET CATCH

In 1948 the catch of tuna brought in by domestic bait-boat clippers amounted to 59.6 percent of all the tuna sold in the United States. By 1953 it hit an all time low of 38.3 percent.

THE TARIFF

Frozen tuna is imported duty free.

Tuna and bonito canned in brine have a 12½ percent ad valorem tariff, which is entirely inadequate to protect the domestic producer, in view of the drastically lower wages and other pro-

duction costs abroad. This low rate resulted from a reciprocal trade agreement signed with Iceland in 1943—although Iceland neither catches nor exports tuna.

Tuna canned in oil, under a reciprocal trade agreement with Mexico, carried an ad valorem duty of 22½ percent to all nations—the most-favored-nation clause—and this resulted in a sharp upward trend in imports. However, cancellation of the Mexican trade agreement allowed it to revert to 45 percent, and this type of import is now held at a reasonable level. However, the change saw Japanese exports shift largely to tuna in brine, which is wrecking the domestic industry.

The tuna industry and its workers are not seeking the elimination of Japanese and South American fish from the domestic market. They do, however, insist that such competition would be on an equal basis with due consideration to wages and cost differentials.

WAGES

American fishermen cannot compete with foreign fishermen on a cost-of-living basis.

American cannery workers earn a minimum of \$1.85 per hour. Japanese cannery workers make 50 cents per day. Japanese fishermen make about \$29 per month, less than 10 percent of the earnings of American fishermen.

EXPORTS

The American industry does not export canned tuna. A recent survey by the Tuna Research Foundation of Long Beach, Calif., disclosed that almost invariably export licenses were required by other nations for tuna imported from the United States, and that, in most instances, no such licenses would be granted. The foundation was advised that the Japanese tariff on canned tuna was 20 percent. However, import licenses were required, and none would be granted. But even without these restrictions, exports would be impossible due to the higher costs of production for American fishermen and canners.

OUTLOOK

The quantity of canned tuna consumed in this country is expanding yearly. The Japanese, for example, are going all-out in building new vessels, yet at the present time there is not one tuna clipper under construction in the United States. The clipper fleet, due to numerous losses in sinking, is at a low. Further, the construction of trolling boats is at an absolute minimum. Why? The answer is simple: No one in his right mind will risk any capital in an industry faced with ruin due to unrestricted or low-tariff imports. (A statement by Mason Cases, chairman, Pacific Coast Fish Producers Institute, Terminal Island, Calif., to the Randall Commission.)

Mr. Hoffman closes by saying that as we do not have tariff barriers between or among the several States, why should we have any tariff barriers between or among countries? He might just as well say that because there are no immigration barriers between or among the States, why should we have immigration restrictions as to any nation?

So his argument falls by its own inconsistency. He does not take into consideration the fact that each State

has safety, health, and labor standards, compensation insurance, unemployment insurance, and other statutory benefits, to say nothing of minimum wage laws from 10 to 20 times higher than wages paid behind the low-wage curtains.

One certain way to bring on a depression in this country is to import it by way of unrestricted imports of cheap-wage products or unrestricted importation of cheap labor itself. You could not get 10 votes in Congress to permit unrestricted immigration into this country of \$1 a day labor. And yet, the two go hand in hand.

I deplore the fact that Mr. Hoffman should make such irresponsible statements.

SPECIAL ORDER GRANTED

Mr. DAVIS of Georgia asked and was granted permission to address the House today for 20 minutes, following the legislative business of the day and any other special orders heretofore entered.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1955

Mr. CANFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

Pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 3 hours, the time to be equally divided and controlled by the gentleman from Virginia [Mr. GARY], and myself.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from New Jersey.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes, with Mr. GRAHAM in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from New Jersey [Mr. CANFIELD] will be recognized for an hour and a half, and the gentleman from Virginia [Mr. GARY] for an hour and a half.

Mr. CANFIELD. Mr. Chairman, I yield myself 50 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. CANFIELD. Mr. Chairman, at the outset of my presentation of the bill today I am going to ask members of the

Committee to permit me to conclude my general statement. This is for purposes of continuity and clarity. At the end of that statement I shall be glad to yield for any questions.

I want now to say just a brief word about a wonderful team in the House of Representatives, the team that makes up the complement of seven members serving on what is known as the House Appropriations Subcommittee on the Treasury-Post Office appropriations. I am privileged to be the chairman of the group in this Congress. The members of that team are: The gentleman from Virginia [Mr. GARY], the gentleman from Louisiana [Mr. PASSMAN], the gentleman from New Jersey [Mr. SIEMINSKI], on the minority side; the gentleman from Indiana [Mr. WILSON], the gentleman from Pennsylvania [Mr. JAMES], and the gentleman from Illinois [Mr. VORSELL], on the majority side. This group, may I say, is a truly dedicated group. Responding to the call of the chairman of the full committee, they came from different parts of the country to Washington 3 weeks before Christmas to begin hearings on this bill; this so that the program for this year could be expedited in the House; and today this team presents to you what I shall call an honest report, made in assiduous, most honest application to the testimony presented by witnesses from the Treasury and Post Office Departments. Every one of these Members is particularly well qualified to render a distinct contribution, which contribution is emphasized in the hearings and report now before you.

Mr. Chairman, I want to say a special word about the ranking minority member, former chairman of this subcommittee, the gentleman from Virginia [Mr. GARY]. I have said this on the floor of the House before in using the following expression: "He is the salt of the earth." He is truly a great Congressman. In his day as chairman of this subcommittee we made extraordinarily important field studies that had never been made before by a like committee, enabling us better to understand the problems involved in the operations of these departments.

We operate in a nonpartisan manner. That was so under the leadership of the gentleman from Virginia [Mr. GARY], and I think he will bear witness that is also true under my leadership at this time.

I do not have to tell you that the Treasury and Post Office Departments are the two great service departments of our Federal Government. They do not lend themselves very readily to meat-ax or serious cuts. However, it should also be stated at this time that last year the new teams that took over control of these great departments sent their requests to the Congress only after they had been cut as they had never been cut before, some \$152 million in the Post Office Department alone and approximately \$58 million in the Treasury Department.

TREASURY DEPARTMENT

The appropriation request for the Treasury Department is \$578 million. I am using approximate figures in my statement, exact figures being found in

the table appearing at the end of the report which you have before you.

The \$578 million reflect a decrease of some 34 million below the current fiscal year funds, the major portion of this reduction being a change in the program of the Coast Guard where there is a reduction of some 5,000 military personnel and 800 civilian employees. Other minor reductions will be found in other activities of this Department. The reduction in the Coast Guard appropriation falls into three categories:

First, there is the so-called expanded search and rescue program in the Far Pacific going out to the Philippine Islands, Wake, Adak, and Midway, a program begun immediately post-Korea on the request of the Defense Department for search and rescue services in an area outside the area normally serviced by the Coast Guard. The military has now concluded it does not need this program except to the extent it can carry out its purposes itself ancillary to its other activities in the area. This program is now in process of liquidation and will involve the laying up of 11 aircraft and 5 vessels, a savings of \$5,681,000.

The Coast Guard has been operating 5 ocean stations in the Pacific and $5\frac{1}{2}$ in the Atlantic. Now, however, since determination has been made by the Air Coordinating Committee that there is no longer a civil requirement for these services, the Department of Defense is stating as a military requirement a need for $5\frac{1}{2}$ stations, these to be operated by the Coast Guard on a reimbursable basis from Department of Defense funds. The new program will embrace 2 stations in the Pacific and $3\frac{1}{2}$ stations in the Atlantic, 11 ships to be laid up as a result of this curtailment. The amount of \$15,675,000 of the cost involved in the operation of these stations will be added to the Navy budget and it will reimburse the Coast Guard for the operation of the $5\frac{1}{2}$ stations required by the Defense Department.

The third curtailment is in the port security program and has to do with the so-called shore side patrol. About 2,000 of the reduction in military personnel will take place in this item.

This patrol, which has to do with controlling access to docks whereon military defense assistance cargoes are loaded, is being lessened to a degree not believed inconsistent with security due to the fact that shipments of such cargo are decreasing, and it is further emphasized in testimony before our committee that the waterside patrol is being diminished in no way and periodic spot checks will be made. It is also pointed out that steamship companies involved will continue to maintain the additional protection necessary.

All other portions of the program are unaffected by this cut and there will be no wholesale dismissal of officers or enlisted men, headquarters believing that curtailment can be effected through normal expiration of enlistments.

In the Internal Revenue Service, testimony this year shows that almost \$14 million will be saved next year through reorganization and other improvements,

these funds to be plowed back into enforcement. Currently the Service is lacking some 850 of its full recruitment in this area. Savings will permit the appointment of at least 650 more agents making a total complement of 1,500 to be added to the force partially through the use of new civil-service registers. The Service, through its new training programs allowed in this bill, believes it can provide the services of capable men and carry out a program of strengthening its enforcement arm gradually with increased collection of revenue. If the program to eliminate filings by those whose tax on wages is fully withheld is carried out, millions of additional savings can be used to this end.

Insofar as the Bureau of Customs is concerned, the new Simplification Act plus increased efficiencies all along the line have enabled the Service to reverse the trend of an ever-increasing backlog of unliquidated entries in collectors' offices, savings being directed to this end. Present requests of the Bureau which are allowed in full call for an overall net reduction in customs employment of about 100 men and it is the plan of the Service to meet this deficit entirely by attrition. There has been considerable newspaper comment that the Bureau intends to lower its enforcement standards and lift the barriers to smuggling. Testimony of the Treasury is that no change will be made in any customs procedures which will have any of these undesirable effects. The Service currently is engaged in a number of studies to simplify operations, improve service to the public, and conserve manpower, but it does not contemplate any action as a result of these studies which will harm overall customs control or endanger the revenue or welfare of the country. It is the plan of our committee to watch carefully the new procedures and programs of the Service during the new fiscal year and the Treasury has been advised that any revision found to be necessary even if it should mean additional manpower, should be immediately brought to the attention of the committee.

Our committee is intensely interested in the work of the Bureau of Narcotics and those who may have any apprehensions regarding the deep interest of the Government in meeting any challenge in this respect will be interested in the statement I am now very happy to make.

I am informed that for some time an intensive review of the narcotic problem has been going on within the Government. Several departments, including the Treasury, have important responsibilities relating either to law enforcement or to care and rehabilitation; and assistant secretaries of these departments have been meeting to review the adequacy of the Government's machinery for dealing with the narcotic problem. I am advised that this group will probably soon recommend to the President the formal establishment of an interdepartmental committee on narcotics which will advise the President on problems and developments in the field, work with State, local, and international groups, and provide a continuous and coordinated study of the

problems. I am told that this development is by no means the result of any feeling that a narcotics crisis has developed in this country. It stems solely from the fact that the people in this administration who are responsible for the problem want to make absolutely sure that every sensible move that can be made is being made to control and to eradicate the curse of narcotic addiction.

The committee proposes a reduction in the amount requested of some \$927,000, the major reduction of \$402,000 being in the Bureau of the Public Debt, where some reorganization has been completed and further efforts along these lines are being considered. The General Accounting Office has made recommendations which are being studied for further economies.

In 1953, the actual number of average positions for the Department was 76,892. This number will be reduced during the current fiscal year to approximately 75,000 with a further reduction in fiscal year 1955 to approximately 74,200.

The workload throughout the Treasury Department remains high with little prospect for any decrease during the coming year, yet requests in the main for funds are less than for the current year reflecting reduced costs through economies that have been put into effect. For instance, in the Division of Disbursements, there has been a constant decrease of unit cost from 0.06402 cent in 1952 to an estimated unit cost of 0.04997 cent for fiscal year 1955. At the same time the production of each employee has been increasing.

Last year when the Postmaster General with his new management team appeared before our committee, we were impressed with the challenging and far-reaching program for improvement of the Post Office Department operations which he outlined. I so reported to the Congress.

At that time our committee requested and received the wholehearted support of the House in giving the Postmaster General the funds and flexibility that he asked in order to permit him to carry out his program to improve the service and at the same time reduce the postal deficit. The Congress approved a 1954 budget calling for expenditures of \$2,832,000,000 and a deficit of \$594 million.

We are now proposing approval of 1955 expenditures of \$2,755,000,000, which will mean a deficit of \$324 million. The essence of the 1955 budget is an increase in mail volume, very little change in expenditures and a substantial decrease in the deficit. I will give you the details of how that is all to be accomplished; but first let me tell you the post office story without the figures.

Last year the Postmaster General's program necessarily consisted largely of promises. I am happy to tell you that he has kept his promises.

First. The headquarters of the Department in Washington has been completely reorganized. Functions have been rearranged and streamlined in eliminating duplication of activities and excessive layers of supervision. Responsibilities have been more realistically aligned and important functions have been added.

Second. Authority over post office operations is being delegated to regional field managers. The first region has been inaugurated in Cincinnati with jurisdiction over postal operations in the tri-State area of Indiana, Kentucky, and Ohio. Additional regions will be established in 1954 and the remainder in 1955. This decentralization will increase the responsiveness of the service to local needs and conditions by delegating management authority to field personnel commensurate with their responsibility; by allowing informed local personnel to solve local problems at a local level. It should reduce costs and improve public and personnel relations.

Third. A program of consolidation of post offices and rural routes is in progress. As of December 31, a total of 774 fourth-class post offices had been closed and modern rural service substituted, with improved service to the patrons, and a savings of approximately \$900,000 annually.

Fourth. For the first time a modern personnel program has been put into effect. The major achievement in the field of personnel has been to introduce the merit system in the selection of supervisors. A survey of wages and salaries in all branches of the service has been undertaken by a firm of management engineers which should be useful in connection with legislation now pending.

Fifth. The appropriation structure has been rearranged along bureau lines to present a clearer view of operations and to facilitate presentation of estimates. The budget work for all bureaus has been reorganized and consolidated under the Bureau of the Controller.

Sixth. The Department is in the process of modernizing its entire accounting system including the monthly financial statement, to provide businesslike analyses of current operations in a form practicable for use in executive decision-making. Included in this program are the adoption of the whole-dollar accounting, simplification, and consolidation of cash handling, and many other improvements in the accounting and auditing field.

Seventh. Work performance standards have been developed for 22 different mail handling operations and pilot installations of these standards have been made at Chicago, Boston, Philadelphia, Detroit, Cincinnati, and New York.

Eighth. Research on methods and equipment has been accelerated. The committee witnessed the showing of slides of pictures of mechanical improvement that are in process in the Post Office Department indicating the extent to which the Department is developing this program. Intensive experimental research is in progress to develop machines to take the place of expensive hand operations involved in the facing, canceling, sorting, and distribution of the mails.

Ninth. All means of transportation are being used as flexibly as possible to give patrons better service with less cost to the Department. The carrying of regular 3-cent mail by air is under experimentation as well as the trailer-flat car principle for movement of mail between

cities in lieu of the use of rail storage or highway trucks. Air mail is being dispatched via the most economical carrier and routing where airline competition exists.

Tenth. The physical plant and equipment is being modernized. Plans are being developed for standardized buildings and construction components of various types in which adequate regard is being given to the working conditions, the use of conveyor equipment, motor vehicle approaches, tailgate space and overall patron convenience. A master real estate planning activity has been created which will study the movement of population, business, communication facilities, and other factors in relation to the choice of locations for post offices and possible physical expansion of present or new post offices, supply activities are being decentralized, designs of motor vehicles simplified, the mail equipment shop in Washington is undergoing careful reorganization and modernization.

Eleventh. A division of rates has been established and a qualified director has been employed.

Twelfth. Additional improvements have been made by way of later mail collection service in 272 cities, window service hours over the country have been extended, and curb-side mail boxes have been improved for the convenience of motorists.

This is a great program of reorganization and it is exactly what our committee has wanted done in the post office for many years. The Postmaster General frankly states that these accomplishments are just a beginning.

The 1955 budget contemplates continued progress in complying with the President's promise to improve service and reduce the deficit. It provides for the continuation and further development of all of the 1954 programs. The major aspects include employee training, further regionalization, more consolidations, further accounting refinements, broader application of work performance standards, improvement of work methods, more mechanization, continued research on all operating matters—including transportation—expanded service and gradual improvement of physical facilities and working conditions.

Before explaining the budget submission for 1955, I want to briefly review 1954, because the operations for that year become the base for 1955. The original estimate submitted by the Department on September 12, 1952, contemplated a deficit of \$746 million for the fiscal year 1954. It subsequently developed that revenues for that year were inadvertently overestimated by approximately one hundred million which, had that been taken into account at the time of submission, would have increased the deficit to eight hundred and forty-six million. Postmaster General Summerfield's present estimated deficit for 1954 is \$437 million, which is four hundred and nine million less.

The submission by the Post Office Department indicates an estimated deficit of three hundred and twenty-four million in 1955. This is one hundred and

thirteen million less than the 1954 deficit. This is a remarkable record. In the short course of 2 years, the deficit will have been reduced from a potential eight hundred and forty-six million to three hundred and twenty-four million. Of this decrease Congress has contributed one hundred and sixteen million by relieving the Department of airline subsidies and costs of Government mail. The balance occurred upon initiation by the Department itself, in higher rates and by economies.

One of the most pleasing aspects of this budget submission is that, notwithstanding an estimated increase of 3.14 percent in the workload, the estimate reflects a decrease in employment. Clerks and mail handlers will be reduced by 4,024 positions. It will be necessary to increase the number of city carriers by 1,949 positions and rural carriers by 229 positions in order to improve service, principally in newly developed areas, but still the personnel needs for 1955 reflect a net reduction of 1,753 positions. With the exception of 1951, when a reduction occurred through a decrease in trips of the city delivery service, this is the first time since 1939—the earliest year for which accurate figures are available—that the man-hours will have decreased. When, oh, when, did you ever hear a report like that? Some will say we heard it in 1951. Yes; you did hear it in 1951 when the distinguished gentleman from Virginia [Mr. GARY] was chairman of this subcommittee, but that was when there was a reduction through a decrease in the trips of the city-delivery service from 2 to 1, a major reduction in manpower and costs indeed.

On its face the appropriation for 1955 appears to be less in dollars than 1954. This requires explanation since the figures are not wholly comparable. If adjustment is made for the elimination of airline subsidies from 1954, and certain other items, the 1955 appropriation is actually approximately \$21 million greater.

You may ask why the new management, with its effective record, needs an increase of \$21 million. Actually, personnel costs will be reduced by about \$12 million, but minimum essential needs for new facilities and for expanded service in newly developed areas account for practically all of the difference. Here is how:

First. The amount for facilities provides for an increase of \$11,395,000 for needed improvements in the physical plants and equipment of the postal service. There have been no new buildings constructed since 1938 and it is essential that badly needed improvements in space and equipment be instituted, if many contemplated future economies are to materialize. Included in this program are funds for 2,278 new vehicles to replace present ones and for the renovation of several Federal buildings under the modern light and color program.

Second. Approximately \$9,500,000 is included for the additional city delivery and rural carriers. These positions are needed for the mandatory extensions of these routes to meet requirements for newly built-up areas and to relieve congested routes. This is approximately

the normal rate of expansion that has been necessary for these branches of the service since the termination of the war, following construction booms and expansion of business generally.

Third. The remaining increases are for:

(a) Approximately \$3,400,000 for the expansion of short-haul trucking service, star routes, highway post offices and mail messenger service, offset by decreases in railroad requirements and other charges, which increase approximately five-tenths of one percent as compared with a 3.14 percent increase in mail volume.

(b) Mandatory increases by law for postmasters and supervisors, which require another \$3,600,000.

(c) The completion of the regionalization program together with the enlargement of the Inspection Service and the Controller's functions for the purpose of modernizing those activities will require an additional \$4,900,000. This should produce material savings in operations for future years when the program is fully effective.

The budget submission for 1955 is on a 5-appropriation basis in lieu of the 4 presently used. This improvement was made at the suggestion of this committee for the purpose of effecting an improved budget procedure. The conversion to 5 appropriations has amply met this objection and at the same time improved the control of financial responsibility of the Department by having the individual appropriations follow bureau lines within the Department.

There are other changes which are equally important in modernizing the Post Office Department's budget structure. In addition to the necessary transfer authority for the purposes of flexibility, the new language provides for the payment of indemnities, unpaid money orders, and stamped envelopes from revenues rather than from appropriated funds. The payments of these items are mandatory and the accounting will be improved by the payment of these items from revenues rather than from appropriated funds.

These are the highlights of the Post Office Department's budget submission for the fiscal year 1955. The presentation is one that my committee is proud to sponsor. It reflects the splendid results of Postmaster General Summerfield's endeavors to provide a better mail service at less cost. He cannot do the job alone and it is only through the continued cooperation of the Congress that the full results of his program will be achieved.

The amount before you for the Post Office is a reduction of \$4,614,000 by the committee from the President's budget figure for expenditures, which in turn is \$50 million less than the Department had requested.

The committee gave a great deal of careful consideration to the 1955 budget before recommending reductions from the President's proposals. The hearings were very thorough and covered 404 pages of print. The result might have been a slightly smaller appropriation

but it would also have meant a delay in time to accomplish the Postmaster General's reorganization program. Future budgets will certainly benefit if the program is carried out. The Postmaster General kept his promises last year and we believe he will keep them this year.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Minnesota.

Mr. MARSHALL. At the time we had cancellation notes for the Commodity Credit Corporation before the House it was disclosed that in order to stay within the statutory debt limit the Treasury had encouraged the borrowing of money from outside sources. In this particular case it was at an increased interest rate. Can the gentleman inform me as to how much money has been borrowed in that fashion and the additional interest that the taxpayers have had to pay?

Mr. CANFIELD. May I say to the gentleman who is interested in this matter that our subcommittee conducted no hearings on that subject matter; however, I have asked the Assistant Secretary of the Treasury, Mr. Burgess, to give me a statement thereon, particularly because I thought the gentleman would raise the question and with his permission I should like to read the statement.

Mr. MARSHALL. I wish to thank the chairman of this subcommittee for his usual prompt attention to the matter and since it is of much interest to the people throughout the country I am wondering if the gentleman will read the statement in the RECORD.

Mr. CANFIELD. I shall be glad to. May I say to the gentleman that he has been very kind today as he was on yesterday when he raised the question before the full committee. I appreciate his indulgence. This is what Mr. Burgess said on this item:

Since the beginning of its program in 1933, the Commodity Credit Corporation has utilized the services of banks in making loans to farmers on agricultural commodities. Banks use their own funds in making price-support loans and under the terms of an agreement with CCC may sell the producers' notes to the Corporation at maturity or prior to maturity. When banks do not keep their own funds invested in price-support loans the CCC must pick up the loans by borrowing directly from the Treasury.

In order to increase participation by banks in the program and as an aid to the Treasury keeping the public debt within the statutory limit, the CCC has made three offerings to banks for the purchase of certificates of interest in crop-support loans. These certificates are issued against a nationwide pool of unmatured crop loans. When the loans mature they are taken out of the pool and an equivalent amount of certificates must be redeemed unless other unmatured notes are available to replace the matured notes in the pool.

Certificates of interest have been used for a number of years in financing the cotton program. They are a convenient and practicable way in which to permit banks to participate in crop-support loans. The certificates are not obligations of a type requiring the approval of the Secretary of the Treasury; they do not carry on their face any guaranty by the United States, and

therefore they do not fall within the statutory debt limit.

The certificates of interest are not obligations of the Treasury. They are obligations of CCC redeemable on demand. The Treasury is obligated to advance money to CCC within the limit of its borrowing, now \$6,750,000,000.

The following table gives some details regarding the three offerings of certificates of interest:

Date of issue	Interest rate	Amount
	Percent	Millions
Oct. 28, 1953.....	2½	\$357
Dec. 17, 1953.....	2½	449
Feb. 2, 1954.....	2½	351

Mr. MARSHALL. I wish to thank the chairman. I wish to say to him that we went into this matter rather thoroughly, and the Commodity Credit Corporation had been borrowing money from the Treasury at 2 percent interest which the Treasury had borrowed at rates down as low as 1½ percent.

I would like further, in order to clarify the record, to state that we were informed that because of this situation which arose, the Commodity Credit Corporation would not be charged with the difference in the cost of interest; that that amount would be assumed by the Treasury.

I wish to thank the gentleman for his prompt attention.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New Jersey.

Mr. KEAN. As one who has been charged with the study of the Internal Revenue Service, I am particularly pleased to note that they are providing 1,500 more agents. Now, is there any provision for increase in pay for some of these agents who have a particularly important and responsible task to perform?

Mr. CANFIELD. No, there is not. Of course, I think the gentleman from New Jersey realizes that we, in our committee, do not have the authority to provide for such increase. However, as the gentleman from New Jersey has determined, we, on our subcommittee, feel that there should be a new reclassification providing for increased salaries to enforcement agents, and we understand from the testimony of the Commissioner of Internal Revenue, Mr. Andrews, that his Service is proceeding to that end. Most certainly, there should be a correction in this deficiency at this time. As the gentleman has indicated, this bill will provide for 1,500 new frontline enforcement troops in the Internal Revenue Service for the new fiscal year. I believe it is the intent of the Service to recruit and train additional manpower in future years.

Mr. KEAN. I believe it will result in substantially increased revenue, but I also believe that the men in important positions, with very responsible positions, should get more pay.

Mr. CANFIELD. I appreciate the testimony of the gentleman, knowing how

fully he has gone into all phases of the problems of this service.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from North Carolina.

Mr. BONNER. I want to compliment the gentleman on his fine presentation of the manner in which the Post Office Department is now being managed. Recently I received a communication from a businessman in my congressional district enclosing letters that he says clutter up his mail; letters that are simply addressed to patrons of post office boxes, boxholders. It was a sample of a letter which looks very much like a first-class letter, but which is carried at 1½ cents. He complains that his business mail is about to advance to 4 cents, and that the Post Office Department could very well do without its being used as a means of advertising, and complains that this 1½-cent letter costs as much to handle and causes him more trouble than his first-class mail, which is now 3 cents and is proposed to go to 4. Now, the authority for handling this type for 1½ cents is administrative and not legislative; is that not correct?

Mr. CANFIELD. That is my understanding. It is still in an experimental stage. This is also in the form of a pilot experiment. Of course, mail addressed to every box holder would have to be distributed to those box holders under the law. By not forcing addresses, much is conserved in the way of clerk manpower. They do not have to read those addresses. Those addresses do not have to be read, and there is distribution made at every box.

Mr. BONNER. The gentleman I hope can see clearly and understand why business people object to all this vast amount of advertising mail at a cent and a half when their business mail costs them 3 now and the proposal is that it cost them 4 cents. It certainly brings on an additional cost of handling in the post office if the system is made more easy for advertisers.

Mr. CANFIELD. I am sure the gentleman understands that the greatest proponents of this approach are businessmen who want great distribution of that type of mail referred to in some critical editorials as "junk mail."

Mr. BONNER. That is what this man calls it in his address to me, junk mail.

Mr. CANFIELD. I can assure the gentleman that this program has not been adopted in finality, and our subcommittee plans to watch it very carefully.

Mr. BONNER. But it is in use now. I was merely going to inquire whether in your hearings with the officials of the Post Office Department you had inquired just what they were going to do about this. As I understand, it is put in effect through administration and not through any act of the House.

Mr. CANFIELD. Due inquiry was made and it was developed that there was a distinct saving in this approach. However, whether it is wise to carry it

out in finality or not we do not know, but we are watching it very carefully.

Mr. BONNER. Through the parcel-post system we have about driven the American Express and other express companies out of business. Through this system you drive the advertising commercial mediums that are private industry and pay taxes out of business, unless it is corrected.

Mr. CANFIELD. Of course the gentleman knows that if the user of the mail puts an address on the copy matter distribution must be made of that mail.

Mr. BONNER. I realize that and I understand that.

Mr. CANFIELD. That is the only difference.

Mr. BONNER. I think it should carry a higher postal rate.

Again I compliment the gentleman. I have great respect and admiration for him and hold him in the highest regard. I have been interested in listening to his presentation of the business of the Post Office Department.

Mr. CANFIELD. I appreciate those remarks, coming from one who was a secretary in yesteryear along with the gentleman now speaking in the well. I was inclined to think the gentleman was going to ask a question about the Coast Guard, because I know he is a very good friend of the Coast Guard. I assure him now that as far as the Coast Guard is concerned the operations of this committee were nil on the budgeted request.

Mr. BONNER. I am sure the Coast Guard is in good hands.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. CURTIS of Massachusetts. May I ask whether the decrease in positions can be taken care of through resignations and deaths?

Mr. CANFIELD. That is the program. That is true. In an establishment of this kind it can be done easily that way.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from North Carolina.

Mr. DEANE. I join my colleagues of the House in expressing my appreciation to the gentleman from New Jersey, the gentleman from Virginia [Mr. GARY], and the other members of the committee, for the presentation of this appropriation bill as early as this in the session. It indicates that if the other appropriation subcommittees will do likewise we may be able to adjourn a little earlier this year.

Mr. CANFIELD. We are anxious for the gentleman from North Carolina to get back among his people early in July, if possible.

Mr. DEANE. I invite the gentleman to refer to page 403 of the hearings of the Post Office Department. I noticed that the distinguished gentleman from Virginia [Mr. GARY] inserted there a page indicating the fourth-class post offices discontinued, 1952, 1953, and 1954. The gentleman from New Jersey who is

now addressing us, of course, knows of my interest in this subject. I note my State of North Carolina is much ahead in these discontinued fourth-class offices. I do not know whether we in North Carolina desire to lead the pack or not. This table reveals that in 1954, 91 such offices were discontinued as compared, perhaps, with the next highest of 46. I just trust that the Postmaster General is going to make this a truly nationwide policy and not dig so heavily into North Carolina.

Mr. CANFIELD. May I say to my friend, the gentleman from North Carolina, that I do not think that is going to happen. In all fairness to the Postmaster General, I think the gentleman from North Carolina will recall he himself was the only congressional witness who appeared before our subcommittee last year to urge this very program and to stand by what the Postmaster General had done in his own State of North Carolina even though there was some criticism from some quarters. May I say that the gentleman from North Carolina who is propounding this question gave real impetus to this program in his statement. Savings are being made—proper savings are being made and I know that the gentleman wants such savings to be made. He certainly emphasized that when he appeared before our subcommittee.

Mr. DEANE. May I ask the gentleman when he has the opportunity to include as part of our remarks this significant table as part of our colloquy at this point in the Record.

Mr. CANFIELD. It is a nationwide program. The start was made in North Carolina, and the gentleman from North Carolina was strongly for the program. I am sure the program is going to be extended to other States in equitable measure and fashion.

Mr. DEANE. For the information of the gentleman, I notice that as of the end of 1954 there were 395 fourth-class offices in North Carolina, but I notice in other States there are 1,626 and 1,020. I am not directing any particular remarks to those particular places, but I do trust that the gentleman will see that this program is made nationwide.

Mr. CANFIELD. I know the gentleman wants to be fair. According to his testimony last year it was his understanding that these offices were being closed and that they would be followed by rural route service which would improve the service to the various patrons. He was wholeheartedly for it in his statement.

Mr. DEANE. I would like the gentleman to understand I am not opposing the idea because I can report that in certain areas where they have been discontinued in North Carolina that greatly improved service has resulted. I feel that after some of us take the rap for a period of time, it will show to the Department that it is a sound approach.

But what I want to see is that there be no discrimination and this table of fourth-class post offices discontinued in-

icates that North Carolina has felt the pressure more so than any other State.

Fourth-class post offices discontinued, 1952, 1953, and 1954

States and Territories	Number of 4th-class offices as of Jan. 1 of the following years			Number of 4th-class offices discontinued during the following calendar years	
	1952	1953	1954	1952	1953
Alabama.....	502	477	453	2	10
Alaska.....	194	198	193	4	6
Arizona.....	145	138	131	1	0
Arkansas.....	725	708	672	8	32
California.....	512	492	441	2	22
Canton Island.....	0	0	0	0	0
Caroline Islands.....	0	1	1	0	0
Colorado.....	303	290	277	6	3
Connecticut.....	43	36	33	1	0
Delaware.....	17	17	12	0	0
District of Columbia.....	0	0	0	0	0
Florida.....	262	247	215	2	14
Georgia.....	381	371	322	4	34
Guam.....	0	0	0	0	0
Hawaii.....	13	14	15	0	0
Idaho.....	228	221	211	2	4
Illinois.....	450	424	382	7	17
Indiana.....	311	295	267	1	3
Iowa.....	329	318	286	0	9
Kansas.....	357	334	295	4	24
Kentucky.....	1,732	1,676	1,626	26	23
Louisiana.....	402	339	264	5	4
Maine.....	355	349	332	2	3
Mariana Islands.....	0	0	0	0	0
Marshall Islands.....	0	0	0	0	0
Maryland.....	258	244	232	3	5
Massachusetts.....	132	124	106	3	1
Michigan.....	304	294	255	4	8
Minnesota.....	353	333	301	2	16
Mississippi.....	364	348	314	4	26
Missouri.....	797	773	699	6	46
Montana.....	328	321	295	5	15
Nebraska.....	219	209	188	2	7
Nevada.....	71	68	65	2	2
New Hampshire.....	148	142	125	1	3
New Jersey.....	107	96	88	0	1
New Mexico.....	342	340	330	2	5
New York.....	598	583	518	1	26
North Carolina.....	551	516	395	9	91
North Dakota.....	290	283	271	1	3
Ohio.....	468	437	389	5	10
Oklahoma.....	431	412	393	5	8
Oregon.....	278	265	233	6	22
Pennsylvania.....	957	897	835	3	27
Puerto Rico.....	19	11	7	0	0
Rhode Island.....	12	11	10	0	0
Samoa.....	0	0	0	0	0
South Carolina.....	226	213	182	1	19
South Dakota.....	268	262	243	4	10
Tennessee.....	401	367	333	4	20
Texas.....	942	924	875	8	23
Utah.....	169	164	154	3	3
Vermont.....	173	165	156	2	0
Virginia.....	1,117	1,070	1,020	19	20
Virgin Islands.....	1	1	1	0	0
Wake Island.....	0	0	0	0	0
Washington.....	312	293	275	4	8
West Virginia.....	1,096	1,046	985	9	38
Wisconsin.....	244	234	196	7	18
Wyoming.....	170	164	156	4	3
Total.....	19,407	18,605	17,153	206	692

NOTE.—The difference between the number of 4th-class offices for each of the 3 years as related to the number discontinued is due to promotions of such offices to a higher class.

One other question I would like to direct to the gentleman from New Jersey. I notice in the report on page 36 that the interest on the public debt has increased by \$275 million. Could the gentleman tell what brought that about?

Mr. CANFIELD. The bills that we have to pay are the cause of that. I think the gentleman knows what the Congress did last year in cuts.

Mr. DEANE. I was just wondering did the amount of the public debt increase over and above the amount of the previous year which would cause this additional increase?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield so that I may reply

to that? From January 3, 1953, to January 4, 1954, the public debt increased \$9 billion.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield.

Mr. GARY. I think this increase so far as the interest on the public debt is concerned is attributable to two causes—first, the increase in the public debt and second, the increase in the interest rates which were allowed under the refinancing program this past year.

Mr. DEANE. Could that be broken down to show what that difference was?

Mr. CANFIELD. We do not have any breakdown at this time. We probably could get it, but I do not know whether we could get it in time for it to be in the RECORD of tomorrow. But certainly, we can get it for the gentleman. I think the gentleman knows that as a result of the operation by Congress last year some \$13 billion were cut out of the so-called Truman budget.

Mr. DEANE. I want to join my colleague in expressing my appreciation to the gentleman for his interest in sound economy, as well as making our programs nationwide and not localizing them.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I have been hearing so much about this Truman budget. We are now into the Eisenhower budget for this coming fiscal year. Five billion eight hundred million dollars of that was in connection with our Air Force; was it not?

Mr. CANFIELD. That is true.

Mr. McCORMACK. That was with reference to the 120 air-group unit?

Mr. CANFIELD. Yes.

Mr. McCORMACK. Now it is up to 137. We Democrats who fought for 143 were told it was too high; that 120 was enough. Now it is 137. So if the President was right last year he is wrong now. If he is right now, he was wrong then. So \$5,800,000,000 was for weakening the air defense.

Mr. CANFIELD. I am not going to superimpose my military judgment over that of President Eisenhower.

Mr. McCORMACK. But the fact is that the present policy is now 137 air group units. That is indisputable. You cannot dispute that. Last year it was 120. So there is a change of policy—wisely, I think.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Illinois.

Mr. SPRINGER. I am familiar with that, having one of the larger air bases in my district. They are only appropriating for putting planes in the air. They are only appropriating for planes which are actually being brought into existence this year. The plan on the other side of the aisle, as I understand it, was to appropriate for wings not yet in existence, and could not be built. We appropriated last year only for the planes that were to be built and are to be built this year. That is the explanation why

we have only gone to 137 thus far. It is contemplated to go to 155.

Mr. CANFIELD. Mr. Chairman, my time is running short and there are other members of the committee who should be heard. Unless there are some further questions bearings on this bill, I will not yield any further.

Mr. GROSS. Mr. Chairman, will the gentleman yield to me?

Mr. CANFIELD. I yield to the gentleman from Iowa.

Mr. GROSS. One of the major contributions to the increase in the Federal debt has been the continuation of billions of dollars in handouts on foreign doles; is that not correct?

Mr. CANFIELD. In part.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from New York.

Mr. JAVITS. In view of the drive to increase trade and to increase travel, is the gentleman satisfied that the Treasury Department agents, who have to pass on so many of these matters, are adequately provided for under the bill?

Mr. CANFIELD. Yes. The gentleman raises a question that causes me to qualify that answer. We have to watch the situation very closely, and this subcommittee is doing it. It may develop that some more manpower may be needed in Customs. If so, we are going to see that that manpower is furnished. \$2.2 million of saving will be reflected next year through the simplification and modern procedure. This will help.

The CHAIRMAN. The gentleman has consumed 75 minutes.

Mr. GARY. Mr. Chairman, I yield myself 60 minutes.

Mr. Chairman, before discussing any of the phases of this bill, I want to pay my respects to this subcommittee, of which I am justly proud. We have on this subcommittee persons of varied occupations. Therefore, the knowledge and experience of the members cover a wide field and qualify them to pass upon the various problems presented to the committee.

We have not been satisfied, however, with merely sitting down in our committee room and listening to witnesses, but this subcommittee has traveled far and wide actually visiting the various installations of the Treasury and Post Office Departments so that we might obtain firsthand information on the manner in which the money that is being appropriated by the Congress of the United States is being spent; and I think I may safely say to you that a great many economies have resulted from the trips of our subcommittee during these inspection tours.

I cannot say too much for the distinguished chairman of this subcommittee. I have been associated with him for many years. I had the honor and privilege of being chairman of the committee for a long time. I succeeded him as chairman, and now he has succeeded me. I can say that when I was chairman of the subcommittee he gave me the utmost cooperation; now that he is chairman, realizing it will be only for a very short while, I of course, will give him absolute cooperation.

Mr. Chairman, this is a nonpartisan subcommittee. I do not believe that there is a committee in the Congress that is less influenced by political considerations than this one.

The gentleman from New Jersey, GORDON CANFIELD, is an able chairman; he is fair, and he is honest. Having been on this committee for a long time and having given arduous study to its problems—because he is an indefatigable worker—he is thoroughly familiar with every branch of the Treasury and Post Office Departments. The people of the United States are indebted to him for the very fine job that he has done as chairman of this committee.

Mr. Chairman, I am not going to discuss this bill in detail; the chairman has very ably outlined it to you. There are, however, a few points to which I want to call your attention.

In the first place the cut in the appropriations recommended by our subcommittee this year is the smallest that has been made during my membership on the committee, but in all fairness it should be said that the Treasury and Post Office Departments are the oldest and most important departments of the Government of the United States. They are service organizations, rendering service to the people of the United States. No department of the Government comes closer to the people than the Post Office Department that delivers the mail to the people each day.

The Treasury Department, of course, collects the revenue of the Government without which the Government could not operate. It collects the customs duties on goods coming into the United States. In addition, it includes the Coast Guard, which is an important branch of the national defense of this country, the Bureau of Narcotics, the Bureau of the Public Debt, and the other bureaus that are absolutely essential to the proper operation of the fiscal affairs of the Government.

In my judgment, these two departments are the most economically operated departments in the entire Government. Our committee throughout the years, regardless of whether the Democrats or Republicans were in charge, has insisted upon economy in the operation of those two agencies. We drastically cut the appropriations of these departments last year. Apparently we did not cut them too drastically because they were able to operate under the appropriations allowed. But when they came back this year, one of the departments asked for a slight increase and in the case of the other we have a reduction in the request. Our committee was unwilling to do anything that would hamper the proper functioning of these two departments that mean so much to the orderly operation of the entire United States Government. Consequently, the bill which is presented to you today is the unanimous recommendation of the subcommittee.

Let us consider the Post Office Department. The committee report shows the appropriation for the Post Office Department is \$16,345,750 less than the 1954 appropriation. This does not present

the entire picture because there are certain items that are not reflected in the report. For instance, there was an item of subsidies to air carriers of \$20 million which the Post Office Department paid during the present year and which next year will be paid out of funds appropriated to the Civil Aeronautics Board. There are in addition certain other minor items as indemnity for domestic mail, indemnity for international mail, money orders, and stamped envelopes that heretofore have been paid out of the appropriations for the Department. Next year for the purpose of simplification in the handling of these payments the bill authorizes the Post Office Department to pay those items, which are fixed items, out of the revenues of the Department.

Actually on a strictly comparative basis we are appropriating for the Post Office Department for the fiscal year 1955 \$25,400,000 more than we appropriated for 1954. That is not a large increase, and it must be said in justification of it that there has been and is a continuing increase in the volume of mail. We thought when the Post Office reached the very high volume that it did during World War II that surely after the war was over the volume of mail would begin to decrease; but, on the contrary, it has increased each year and there is an estimated increase for 1955.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Was it increased to the point where those in metropolitan areas will soon see the restoration of the two-delivery-a-day system as was promised by the administration?

Mr. GARY. So far as I am able to determine, I do not believe that the two deliveries a day in residential sections will be restored at any time in the near future. The facts are that it will cost \$100 million per annum to restore the two-delivery-a-day system. Today, I might say, the demand for the restoration of that service has completely subsided.

Now, I am frank to say that I, as chairman of this committee, was one of those who was responsible for that change. We insisted on economies, and the Postmaster General reduced delivery in residential sections to one a day in compliance with the demands, certainly, of the majority of our committee. I think it was a good move. I am opposed to reestablishing the service, and I do not believe it will be done at any time in the near future.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I know that the gentleman from Virginia, my former chairman, will recall that he and I disagreed violently on that particular issue; no personalities being involved.

Mr. GARY. I will say to the gentleman that we can disagree without being disagreeable.

Mr. CANFIELD. That is true. That is the way it will always be. We dis-

agreed, but he won, and the order was issued and it has never been restored. It is a fact, however, that currently, right now, the Post Office Department is making pilot experiments in three cities of the United States, Minneapolis, Indianapolis, and Dallas, for the express purpose of finding out whether there is a real demand in those cities and whether it is feasible and economical to restore this service. That is the picture today.

Now, the testimony before our subcommittee was this: Insofar as the Department here in Washington is concerned, practically no letters are being received demanding the restoration of this service. In all fairness to my good friend from Virginia, I want to say this, that I, a long-time believer in this old order of things, am receiving no mail to that end.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. YATES. I just want to say that as I remember what the chairman, the gentleman from New Jersey, said last year, he stated that he was a two-delivery man himself, and that he wanted to give the new team a chance to get its feet firmly planted in the Post Office Department before bringing it up. The reason for my question was, of course, the fact that I thought a year was long enough to permit the new team to become familiar with its operation, and I wondered whether or not the new team had decided to restore the two-delivery system. As I remember it, the platform of the Republican Party stated that it would restore the two-delivery system.

Mr. CANFIELD. The Republican platform referred to more frequent service, and that policy is being carried out.

Mr. YATES. Is there more frequent service?

Mr. CANFIELD. Yes.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New York.

Mr. JAVITS. I, too, was one of those who put in a resolution for two-a-day delivery. I am getting mail, not now exactly directed at two deliveries, but complaining about the post-office service. I think some progress is being made in the flexibility of the local post offices in adjusting local conditions, and advance the hope that the Post Office Department will continue to show that flexibility and increase it in order to meet local conditions where commercial firms are mixed in with residential people, and where other steps can be taken to expedite mail delivery.

Mr. GARY. My remarks were limited to the two deliveries a day. I, too, am getting letters complaining of the Post Office Department service, but not with reference to the failure to get more than one delivery a day.

The Post Office Department is adopting many innovations, the effectiveness of which will be determined by time. There was inserted in the RECORD just a short time ago a survey that was made by the Chicago Tribune, if I am not mistaken, in which they sent out a great many letters throughout the United

States. They made a similar survey during the last year of the previous administration. They kept account of the time of delivery of each letter. The survey made recently under exactly the same conditions showed that it took 4 hours longer on the average to deliver each letter under this administration than it took during the former administration.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In my congressional district there are some 119 post offices. I stated last year that it has been over 2 years since I have received a complaint due to the limitation of residential delivery to one a day. At the time I was receiving complaints it was rather amusing to observe that many of the letters of protest came from citizens of towns that had no residential-mail delivery at all. That was a clear indication that most of the letters of protest were inspired.

I do not think there is really any room for argument with respect to how our citizens feel. They are not demanding a restoration of the two mail deliveries, and I think that, to a very large extent, it is political.

Insofar as I recall, I do not remember President Eisenhower promising two deliveries a day. I defended that on the floor last year. I think we would be going just a bit too far to accuse the present President of promising to restore the two mail deliveries a day.

Mr. YATES. I do not know whether the gentleman's remarks were directed to me, but what I said was that the Republican Party in its platform, as I recall, stated that it would pledge itself to a two-delivery-a-day system. I have checked the platform, and it states, "More efficient and more frequent delivery service." I do not know whether this is another way of referring to the restoration of the two-delivery system, but I had that in mind because, of course, the two-delivery system has become almost a phrase apart in the use of those words. I thought I was justified in taking that phrase and applying it to the platform of the Republican Party.

Mr. CANFIELD. May I say to the gentleman from the Chicago area that if there had been any demand throughout the last several months for the restoration of the two-delivery service in the city of Chicago you would have had a pilot experiment today. The reason you do not have it there is that there has not been any demand.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I did not intend to get into this colloquy, but I want to confirm that my own impression is just the same as that of the gentleman from Illinois [Mr. YATES]. While the platform states, "We pledge a more efficient and frequent mail delivery service," I know that every letter carrier up my way understood that meant restoration of a two-delivery-a-day service. I can re-

member distinctly prominent officers of a great organization of postal employees in my presence saying they got the promise and that it was going to come in the early part of 1953 when the Republicans took over. So there is no doubt in my mind as to what was promised.

These other arguments are very interesting. The gentleman from Illinois was asking about a promise and whether or not it was carried out. The gentleman from Virginia has said it has not been carried out, and there is no likelihood of its being done.

Mr. PASSMAN. I think in some circumstances there has been more frequent mail delivery. I think there has been some increased efficiency and improvements made in the Department. There are major issues on which I can differ with my colleagues on my right, and at the proper time I shall. I do not want to pick on some item that was really an issue in my campaign, and I won on that basis. I think it is very insignificant to pick up a little item like this where there is really no demand for the service and try to develop it into a mountain.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. JAVITS. I was and am for the two-a-day deliveries but I cannot for the life of me see reading it into the Republican platform or trying to pin it onto the Republicans in the face of the express words. I think they prevail even over the distinguished gentlemen's ideas as to what was implied or what was promised outside the Republican document. I think it ought to speak for itself.

Mr. GARY. I simply want to say this, Mr. Chairman. I have been for the one-a-day delivery mail service from the beginning. I stood on the floor of the House one one occasion and took full blame for the change when some of the members of my committee did not agree with it. I will take whatever blame or credit may be attached to it at the present time. I am against its restoration. I want to point out that the restoration of such service will cost the people of the United States \$100 million a year, and I do not think it is worth it. Consequently, I shall oppose it when any effort is made to restore it.

Mr. Chairman, there has been a lot of talk about reducing the deficit in the Post Office Department. Under this bill it is estimated that the postal deficit will be reduced from an actual deficit of \$663 million in 1953 to an estimated deficit of \$329 million in 1955. I merely want to point out for the record that this reduction does not represent a saving in the Post Office Department. The decrease in the deficit is attributable to the fact that increased postal rates, effective since 1953, will yield \$200 million more revenue in 1955. In addition, we are transferring the airmail subsidy that has heretofore been paid by the Post Office Department to the Civil Aeronautics Board where, in my opinion, it belongs, and that item is \$80 million. We are also transferring the cost of penalty mail from the Post Office Department under a law which was adopted by the Congress last year, which I think is a proper law. Heretofore the

cost of penalty mail has been charged against the Post Office Department. Under the new law each Government department will reimburse the Post Office Department for the cost of handling its penalty mail. These reimbursements total \$38 million. In addition, the transportation of mail to service men abroad has been transferred to the Armed Forces which amounts to \$2 million. The total of these items amounting to \$320 million accounts for the decrease in the deficit. Nothing has been saved, the costs have merely been shifted from the Post Office Department to other Government departments, except in the case of the basic-rate increase.

Now, let us consider the question of this rate increase for a few moments because I think it is very important. The increase of \$200 million has come about in the parcel-post rates. When the parcel-post law was first adopted in 1912, the Congress at that time evidently realizing that this new service would come in competition with free enterprise, apparently wanted to insure that the Government would not unfairly compete with private enterprise. The Post Office Department was entering into a new business of carrying packages which heretofore had been handled by the express lines. Consequently, they put a provision in that law which reads as follows:

The classification of articles mailable as well as the weight limit, the rates of postage, zone or zones, and other conditions of mailability under this act, if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of service greater than the receipts of the revenue therefrom, he is hereby authorized, subject to the consent of the Interstate Commerce Commission after investigation, to reform from time to time such classification, weight limit, rates, zone or zones, or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

All postal rates theretofore had been fixed by the Congress, but the Congress authorized the Postmaster General to fix the rates for fourth-class mail so that parcel-post mail would not be carried at less than cost and thereby unfairly compete with private enterprise.

Apparently the Postmaster General did not pay any attention to that provision. I do not remember whether in those days he was a Republican or a Democrat, so there is no partisanship in this. I say that apparently he did not pay any attention to it because on February 28, 1925, the Congress passed another act. In the previous act they had authorized him to fix rates, but in 1925 they directed him to fix them. They made it mandatory for him to fix such rates as are necessary to make parcel-post mail self-sustaining.

Still the Postmaster General did not pay any attention to the law. Therefore, in 1950, when the Postmaster General came before our committee, I asked him why he was asking the Congress to increase parcel-post rates when the law directed him to increase them. He said that he thought the Congress should fix all of the rates and that he was recom-

mending increases which he considered proper to the Congress.

He was asking for a supplemental appropriation. Our committee recommended and the Congress approved a provision which was put in that supplemental report, prohibiting him from drawing any money from the Treasury until he had complied with the mandatory provision of the law.

Since that time the Postmaster General has submitted two requests for increases to the Interstate Commerce Commission both of which have been approved. The second proceeding was started under the former administration, and was completed under the present administration, so this is not a partisan matter. Because of these proceedings at the present time parcel post is paying its way and therefore, when the postal-rate-increase bill comes before the Congress, there will be no parcel-post rate increase in it.

A bill has been introduced to repeal the provisions of the law to which I have referred so as to take the authority to fix parcel-post rates away from the Postmaster General. I am told that it is to be offered as a rider to this bill. I trust that this House will not vote to repeal these provisions of the law which are designed to prevent the Government from competing unfairly with free enterprise in the handling of parcel-post mail.

Mr. Chairman, I want to discuss briefly the reorganization of the Post Office Department. Frankly, I want to say that I think the post-office officials are doing a good job. We started the reorganization of the Post Office Department under the previous administration. One of the greatest needs of the Department at that time was a good accounting system. We started the installation of that system. The new administration has carried it on and the accounting system is being perfected in the Post Office Department. There has already been great improvement in that respect, and I am certain that it will continue.

The Post Office Department has finally created a personnel office. I think that has been needed for a long, long time. I have complimented the officials for attempting to put in a proper personnel system. A department that has approximately 500,000 employees needs a personnel system.

The one thing that our committee has been insisting upon for a number of years has been adequate research. We finally got a research division started in the Post Office Department several years ago, and the new administration is expanding it. The research division is developing numerous new methods of handling the mail which is improving the service and decreasing the cost.

One change that is in the experimental stage at the present time is the decentralization of the Department. The Hoover Commission recommended the decentralization of the Post Office Department. We were told at that time by the postal authorities that the recommendation was based upon the Canadian system, that the Hoover Commission had inspected the Canadian system and that they had recommended a decentraliza-

tion with exactly the same number of regions as Canada had. Then we were told that before the Commission submitted its report the Canadians abandoned their decentralization system. The Department is now beginning to decentralize. We asked the witnesses who came before our committee about the Canadian experience. They said they did not know anything about past experience, but on that day they had a committee from the Canadian Government in Washington looking over our postal system, and that the Canadians are now definitely turning toward decentralization.

I think some decentralization is perhaps in order. The department has started an experiment in Cincinnati, marking out one region. They contemplate establishing 15 regions in the United States. Each of these 15 regional offices will have a personnel of 60. This will mean that altogether we will have approximately 900 additional regional employees, a large number of whom will be high level employees, because you will duplicate in each office practically the setup that you have in Washington; you will have a regional personnel officer, a regional accounting officer, and other regional officers for each bureau. It may be that some of this personnel will be supplied from the Washington office; it may be that they can reduce the expense in Washington to take care of the increased regional expense. I hope they will.

In addition, they plan on establishing district offices in each region. In Cincinnati they have nine district offices. They tell us that they do not know just how many district offices they will have, but they think that is probably a good average. In that event they would have 135 new district offices. Each of these district offices will have about six employees, most of whom will be high-level employees. This will mean 810 district office employees. I want to mention this in contrast: In the Post Office you have a plan to decentralize by establishing 15 regional offices. The Internal Revenue was reorganized several years ago, and they established 17 regional offices. This year they came in and told us that they were reducing those 17 offices to 9 and that as a result of this reduction they are going to save \$2 million.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. As I understand the gentleman from Virginia, he is not taking issue with the concept of the matter; he is taking issue with the number of offices projected by the Post Office Department?

Mr. GARY. What I am saying is that the whole plan should be considered very carefully. The Post Office Department is right in setting up an experimental region in Cincinnati and I hope they are going to study the working of the plan there long and carefully before putting the complete plan into operation, because the plan if improperly installed will certainly cost us more money rather than save money for the department. I

am merely sounding a word of caution in the development of this program.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to commend the gentleman for his splendid presentation in connection with this report. I want to ask his comment on a certain section. If he has commented on it I have missed it. I am disturbed about the cuts that have occurred in several vital places connected with law enforcement and the prevention of crime. I recall a couple of years ago a great deal of talk about the increased emphasis that was going to be placed on law enforcement and the prevention of crime by this administration. Yet we find in this particular report that the Secret Service is being reduced by nine agents, we find that the Bureau of Narcotics travel funds are being cut. Certainly the mobility of those agencies is of vital importance in controlling the narcotics problem. The Customs Bureau is being cut 74. Those are the people who are charged with preventing the introduction of narcotics into this country. It would appear to me inconsistent with the statements and pledges of this administration that they are taking out of the law-enforcement agencies of this country travel funds and the personnel necessary to do the job. I would like to hear the comments of the gentleman on that particular point.

Mr. GARY. May I say to the gentleman that thus far I have been discussing the Post Office Department. I have not reached the Treasury Department, which I shall take up at this time. So far as our committee is concerned we have cut these departments very little. As I said in the beginning, we cut the whole bill only \$5½ million which is infinitesimal when you consider that it totals over \$3 billion.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Is it not true that in our operation we did not cut any of the agencies indicated by the gentleman from Oklahoma?

Mr. GARY. That is right. Our committee recommended no cuts in the agencies mentioned.

Mr. EDMONDSON. Am I to understand from that, then, that the sum of money cut from the travel account of the Bureau of Narcotics was recommended by the Bureau itself?

Mr. GARY. Yes.

Mr. EDMONDSON. Or was that a Bureau of the Budget cut?

Mr. GARY. It was either the Bureau of Narcotics or the Bureau of the Budget, I do not know which. The amount recommended is the amount requested of our committee. We made no change in the item; neither did we make any change in the Secret Service. On the contrary, we had some heart-to-heart talks with the top officials of the Treasury Department with reference to the Secret Service. No cut has been made insofar as the safety of the President of

the United States is concerned. Any cuts that were made have been in the field agents that are not engaged in defending the President of the United States or his family. We did not cut the Secret Service a dollar, we did not cut the Bureau of Narcotics. This committee is thoroughly in accord with the gentleman's views that those law-enforcing agencies should have adequate funds with which to do their work.

Mr. EDMONDSON. I am very much relieved to hear the committee's position on this. I hope that the committee is not allowing the Bureau of the Budget to substitute its judgment and its appraisal of the needs of law enforcement for the judgment of the members of this committee which I believe would be much better than that of the Bureau of the Budget in connection with the law-enforcement problems of this country and the needs of those agencies.

Mr. GARY. I will say to the gentleman that I do not know whether the Budget Bureau cut those items or not. We never discuss any items with the Budget Bureau. We discuss them with the heads of the departments. We had the Secretary of the Treasury and his staff come in and testify. Then we had the head of each department testify. Dr. Anslinger came in as did Chief Bowman of the Secret Service and Commissioner T. Coleman Andrews of Internal Revenue Service. Those men came before our committee and told us that they could satisfactorily operate during the next year with the funds requested. We never cut any of them a dime, except I believe we made some minor cuts—I do not know whether they were included—because of printing costs. As a result of certain changes made in the Printing Office, it reduced the cost of printing to the departments, and we took into consideration those reductions. That is all the cuts we made in the bureaus referred to.

Let me say, I think the 80th Congress made a tremendous mistake back in 1948. We cut too deeply into the Internal Revenue Service, and we found that it had a tremendous effect on the collection of revenue. We have been gradually restoring each year the agents that were cut off at that time, and we are restoring more of them under this program because of savings that have been made elsewhere.

With respect to customs, they are saving substantial sums of money by reason of the Customs Simplification Act which we passed last year. I must say to you, very frankly, that they are spreading some of the inspection service in customs awfully thin. I am very much afraid they are spreading some of it too thin. We have cautioned both the Treasury and the Customs Bureau officials about that. We have told them that we do not want it spread too thin and they have promised to give very careful consideration to that program next year and, if necessary, increase the inspection service.

Mr. EDMONDSON. I know the gentleman is familiar with the evidence recently given by Mr. Hoover of the FBI that crime in 1953 was higher than it ever has been in this country.

Mr. GARY. That is right. And, with respect to customs, our committee, during the hearings, recessed for 3 days and went to New York and inspected the whole customs setup at the port of New York.

Mr. EDMONDSON. I appreciate very much the comments of the gentleman, and I think the committee has certainly given careful consideration to this problem. But my worry is that these men have come in with a gun pointed at their heads by the Budget Bureau to testify on what their needs are, just as they come before the Committee on Veterans' Affairs, and that is what I am fearful about.

Mr. GARY. Let us be frank. I share the gentleman's views, but after all we must have economies in this Government; we must, sooner or later, balance the budget.

Mr. EDMONDSON. But certainly the law-enforcement agencies should not be cut.

Mr. GARY. We did not cut them. To the contrary, we have been assured that the funds allowed in this bill are adequate to take care of those bureaus next year.

Mr. EDMONDSON. I thank the gentleman.

Mr. GARY. The recommended reduction in the Treasury Department for the fiscal year 1955 as compared to the 1954 appropriation is \$34,145,400. Of that amount the Coast Guard has been cut \$30,685,700. The larger portion of the Coast Guard cut results from a reduction of the number of ocean stations from 10½ to 5½.

These stations are operated under international agreements, and when we say two-thirds stations we mean that one of the stations is being operated by the United States two-thirds of the time and by a foreign government the other third of the time.

Because those stations serve the Navy and other branches of the armed services the entire cost of operating those 5½ stations has been transferred to the Navy. I may say that I question both cuts. Those stations promote the safety of travel on the sea. They direct the airplanes that fly over the sea. In addition, they supply weather reports. They are most essential, in my judgment, to both civilian and military travel over both the Atlantic and the Pacific. But after conferences with the Navy and with the civil authorities an agreement has been reached to reduce the number to 5½. I hesitate to set my judgment against the experts, but I still think the move is a questionable one.

I also question the policy of transferring the cost of operating the 5½ stations to the Navy. The Coast Guard is going to continue to operate those stations, but the Navy is going to ask for the appropriation. What difference does it make? The appropriation comes out of the same Treasury. The Coast Guard does not have one Treasury and the Navy another. It is my judgment that if the Coast Guard is going to operate those stations the Coast Guard should get the appropriation and should have complete charge of them. I do not think we ought to have the hand

of Esau and the voice of Jacob in this operation.

There are just two other matters I want to call attention to before closing. One of them will be found on page 18 of the proceedings.

I have heard a lot about balancing the cash budget. When the Secretary of the Treasury came before our committee I asked him what he meant by balancing the cash budget. You will find what he said there. He was perfectly frank about it. He said this: If we have a \$4 billion deficit in the administrative budget and we take in \$4 billion in social security taxes, which are trust funds set aside for a specific purpose, we issue \$4 billion worth of Government bonds and put them in the security fund and take that cash out, and with that cash we balance the cash budget.

Of course, insofar as our fiscal situation is concerned it does not mean anything in the world. It means you are just transferring funds from one source to another. As a matter of fact, the Secretary of the Treasury admitted that one of his friends had said that the practice was dishonest. He said that he replied to his friend, "You operate a large business. You have a retirement fund for your employees. What do you do with the surplus in that fund?" The man said, "I invest it in Treasury bonds." The Secretary said, "That is exactly what we are doing."

Frankly, I think he is right. I do not think there is anything dishonest about it. My objection to it is this: I think one of the greatest dangers this country faces at the present time is the deficit financing that has been going on over a period of years. In my judgment, the time has come when we must balance the budget, period. And that means the administrative budget. We talk about national defense, but you cannot defend this country if the Nation is bankrupt. I think one of the soundest defense measures we could take would be to have a balanced budget. Now I do think it is wrong to shift the figures in a way so as to show a balance when you are increasing your national debt and thus convey to the people of the United States the idea that by balancing a so-called cash budget, which in reality does not mean a thing so far as our deficit financing is concerned, you are improving our fiscal situation. I find no fault with the methods the Treasury is adopting, but I do think we ought to stop talking about balancing a cash budget because we do not have a balanced budget in the United States today and we should not try to create the impression that we do. The time has come when both Republicans and Democrats, in my judgment, should put their shoulders to the plow and try to balance the budget.

Mr. Chairman, I want to discuss for just a few moments the question of security risks.

Our committee completed hearings on the Post Office Department in December before the question of dismissals of Government personnel on security grounds became a prominent issue. Officials of the Post Office Department stated that an investigation of postal employees had started under the previous administra-

tion, that a number of cases were pending when the new administration took over, and that they are continuing those investigations.

In his state of the Union message on January 7, the President stated that under standards established for the new employee-security program, more than 2,200 employees have been separated from the Federal service. The statement created the impression in the minds of a great many people that more than 2,200 Federal employees had been discharged for disloyalty to the Government. A person holding a high position in the Government, who apparently speaks with authority for the Republican Party, stated that 90 percent of those discharged were Communists or perverts. That statement was untrue, but it created a false impression throughout the Nation. Other loose statements with reference to the 2,200 employees were made by other high-ranking members of the Republican Party.

This situation has cast a grossly unfair imputation upon several thousand employees who have been separated from the service. Now let us review the situation. President Truman issued Executive Order 9835 in 1947 directing an investigation directing an investigation of the loyalty of every Federal employee and every applicant for a Federal position. The FBI was directed at that time to make a fingerprint check and a name check of every employee in the Federal Government.

It was my privilege to serve on the subcommittee handling the appropriations for the Justice Department at that time, and we appropriated \$20 million to pay the expenses of this investigation. The investigation, however, covered only the question of loyalty to the United States Government. In 1953, under Executive Order 10450, President Eisenhower extended this investigation to, and I quote, "develop information as to whether the employment or retention in employment in the Federal service of the person being investigated is clearly consistent with the interest of the national security." Under this order we are told excessive drinking is a ground for dismissal, as is also sex perversion, mental instability, and even incompetence.

Now, Mr. Chairman, I have no quarrel with the policy of dismissing such employees from the service, but I do object to placing upon them the imputation of disloyalty. Alcoholism is a disease; communism is treason when practiced in this country. Common justice demands that the alcoholics be separated from the traitors.

The situation calls for a breakdown of the 2,200 figure to show the causes of separation. I, therefore, questioned the Treasury officials at length with respect to their experience in dealing with security risks. The testimony touching this subject appears on pages 32, 416, and 680 of the hearings. Mr. Tuttle, general counsel, and acting personnel security officer of the Treasury Department, stated that 130 employees had been separated from the service during the past year under the security order. When asked how many of those had been separated for disloyalty, he stated that he

did not have the figures but would supply them for the record. Subsequently a letter was inserted in the record which did not furnish the information requested. He, therefore, was recalled before the subcommittee and finally under pressure admitted that of the 130 employees separated only 3 had been separated on the grounds of disloyalty, and these were separated under the Executive order of the previous administration rather than under the new Executive order. The total personnel of the Treasury Department is 113,530.

Then Mr. Tuttle was requested to furnish information showing the number of dismissals on the grounds of disloyalty since the effective date of the first Executive order. Those figures will be found on page 687 of the hearings from which we find that 3 out of 114 dismissals in 1948 were on the grounds of disloyalty, the same number as last year; 2 out of 157 in 1949; 2 out of 183 in 1950; none out of 238 in 1951; and 1 out of 302 in 1952.

I submit, Mr. Chairman, that if the figures as disclosed with reference to the Treasury Department reflect the conditions existing in other departments, the people of this country have been grossly misled and are entitled to know the facts.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the distinguished gentleman from Louisiana.

Mr. PASSMAN. I wonder if the gentleman would agree that throughout the entire hearings every department head who came before our committee was interrogated on this same phase. Take the Coast Guard, on page 475 of the hearings, I asked the question of Admiral Richmond:

That same program has been in effect since the loyalty security program was inaugurated in 1947?

In other places we referred to it as the security program inaugurated by President Truman in 1947. Almost without exception, year after year, we find there were more actually discharged under the administration of President Truman than were discharged under the present administration. In 1952 the Coast Guard separated 143. In 1953 only 80 were separated by the present administration, and we all hope at the proper time that the President will come forth and give us a breakdown, not by name, but why these people were actually discharged, because it is confusing to the American people. When you refer to "security," the general public believes some person is disloyal to the Federal Government.

Mr. GARY. I thank the gentleman for his contribution.

The CHAIRMAN. The gentleman has consumed 1 hour.

Mr. CANFIELD. I wonder if the gentleman from Virginia wishes to yield at this time to some Member on his side.

Mr. GARY. Yes. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I shall not use 15 minutes. I am going to make a rather brief statement.

Mr. Chairman and members of the Committee, first I want to commend my

chairman, the gentleman from New Jersey [Mr. CANFIELD], for the very fair, impartial, and efficient manner in which he conducted the hearings on the bill before you. My commendation is equally as strong for my former chairman, the very able and dependable gentleman from Virginia [Mr. GARY]. This warm feeling prevails toward the other members of the committee, including our very able and sincere clerk, Mr. Bob Lambert.

Year after year I have spoken on the Treasury and Post Office appropriation bill, and I feel that I would be remiss in my duties as a member of the committee and as a Member of Congress if I did not reiterate what I have said on other occasions. I believe that the statistics and factual information furnished in my remarks of May 14, 1953, on page 5095 of the RECORD will best explain my position and that statement shall be included as a part of my remarks.

Mr. Chairman, to my way of thinking, Postmaster General Summerfield has done an outstanding job in handling the affairs of the Post Office Department. If he were given the proper authority by the Congress, he would put the Post Office Department on a self-supporting basis and, no doubt, go down in history as one of the greatest Cabinet members to serve in any President's Cabinet.

Postmaster General Summerfield has brought to the Post Office Department some of the foremost businessmen in our Nation. Many of these officials have made great financial sacrifice to serve their country. But there is a question in my mind as to how long this morale can suffice unless the Congress gives some consideration to the Post Office Department's request for badly needed revisions in our postal-rate structure.

I can see no reason for the Federal Government to continue to subsidize tens of thousands of businesses which operate solely to earn a profit and which use the United States mails to enhance their profits. I must apologize for a personal reference but I do want to state that I own my own business enterprises back in Louisiana and the type of businesses I operate require heavy use of the postal services, and I do know that if proper and badly needed postal rates are granted, that I can certainly absorb the small increase in cost out of my profits.

If the Congress in its wisdom would pass legislation adjusting postal rates to where the Post Office Department could operate on a financial self-supporting basis, I believe that each Member of Congress endorsing this needed revision would be highly commended by a large majority of his constituents.

If each Member of the Congress would find time to analyze the setup that prevails relative to subsidies to newspapers and periodicals, he would not hesitate to take the necessary steps to remove this unwarranted and unneeded subsidy. If there are those among you who feel that these large publishers who are in business for the sole purpose of earning a profit need a subsidy, then I suggest that you secure the annual balance sheets of those publishers with

whom you are presently in sympathy. It would be a real eye opener.

I want to say again that I would gladly support legislation giving the Postmaster General the authority to set postal rates, first, because he possesses more knowledge of the problem than any other person, and it may interest you to know that in many countries the postmaster general is given this authority by law, and it has worked out very successfully.

I am not too sure that I would support legislation increasing postal rates on first-class mail inasmuch as this class of mail is more than self-supporting, but I am eager to support legislation that would put all the other classes of mail on a self-supporting basis. It may be argued that certain church and educational publications would be put out of business. I do not subscribe to this line of reasoning because every one of the publishers who fall into these categories have their own budgets and sources of revenue and could make adjustments accordingly. Because if we ever reach the point where we are in accord that the Post Office Department should be placed on a self-supporting basis, and then make exceptions, the exceptions could become the rule, and our purpose would be defeated.

STATEMENT BY HON. OTTO E. PASSMAN, OF LOUISIANA, ON THE FLOOR OF THE HOUSE, MAY 14, 1953

Mr. Chairman, and members of the Committee, I wish to say at the outset that I have a very high regard for my chairman, the gentleman from New Jersey [Mr. CANFIELD], and I want to commend him for the very fair, impartial, and efficient manner in which he conducted the hearings on the bill before you. My regard is equally as high for my former chairman, the very able gentleman from Virginia [Mr. GARY] and the same feeling prevails toward the other members of the committee and our very able clerk, Mr. Bob Lambert.

Mr. Chairman, in my opinion, there has never been an appropriation bill reported to the floor of the House that had any closer scrutiny or any more comprehensive and extensive hearings than the one before you.

In the bill before you the Congress is being asked to appropriate \$2,832,250,000 to operate the Post Office Department for the fiscal year 1954. It will cost almost as much to operate the Post Office Department in the fiscal year 1954 as it cost to operate the entire Federal Government in 1927. In fact, it cost only \$2,974,000,000 to operate all branches of the Federal Government in 1927.

The annual operating deficit of the Post Office Department is almost as great as the cost of operating the entire Federal Government in 1916. In fact, it cost \$734 million to operate all branches of the Federal Government in 1916. In 1952, the operating deficit in the Post Office Department amounted to \$727 million. In 1953, the net operating deficit amounted to \$642 million. The estimated deficit for fiscal year 1954 is \$596 million.

Mr. Chairman, and members of the committee, in my opinion the time has come for the Congress to give serious consideration to the advisability of putting the Post Office Department on a financially self-supporting basis. The very large subsidies to many classes of mail are primarily responsible for the tremendous annual deficit in the operation of the Postal Establishment.

In 1940 the postal establishment handled 27,700,000,000 pieces of mail, or an average of 210 pieces of mail for every man, woman,

and child in the United States. In 1954 it is estimated that the postal establishment will handle approximately 58 billion pieces of mail, or an average of 329 pieces of mail for every man, woman, and child in the United States. This large increase in such a short period of time represents a 94-percent increase in total volume of mail handled and only a 51-percent increase in use of the mails per capita handled.

I would like to point out to the committee that the cost of handling the mails since 1945 has increased by \$1,443,000,000. However, the revenue increase has amounted to only \$390 million. In other words, the cost of handling the mail since 1945 has exceeded the increase in revenue by \$1,053,000,000. Therefore I hope that the Congress in its wisdom will take cognizance of this situation and remedy the condition by giving the Postmaster General authority to set postal rates or pass legislation authorizing increased postal rates.

Personally I would support legislation giving the Postmaster General the authority to set postal rates because certainly he possesses more knowledge of the problem than most Members of Congress who have a multitude of other matters to consider. In many foreign countries the postmaster general is given the authority to set postal rates. If the Congress would extend that authority to our own Postmaster General, it could do so with veto power or maybe for a 2-year trial run.

I should like to point out to the committee where the greatest annual losses to the Post Office Department are occurring:

1. Fourth-class mail, which is, in the main, parcel post. In 1952 it cost the Post Office Department \$638,264,000 to handle fourth-class mail. Revenues from fourth-class mail amounted to only \$484,529,000. This left a net operating deficit of \$153,735,000.

2. In 1952, on third-class mail, which consists primarily of circulars, it cost the Post Office Department \$362,439,000 to handle this class of mail. The revenue on third-class mail brought in only \$170,526,000, leaving a net operating loss of \$191,913,000.

3. Now, here is one class of mail that is really alarming, and that is second-class mail. This class covers newspapers, magazines, and periodicals. In 1952 it cost the Post Office Department \$291,758,000 to handle second-class mail. The revenue from second-class mail brought in only \$51,371,000, leaving a net operating loss in 1952 on second-class mail in the amount of \$240,386,000.

4. In 1952 there was an operating deficit of \$32 million for domestic airmail, \$21 million in foreign airmail, and \$20 million in foreign-service mail.

5. There are large deficits in special services such as registered mail, insured mail, collection-on-delivery mail, special-delivery mail, and money orders.

In 1952 the only two services of the Post Office Department to earn a net profit were first-class mail and postal savings. The revenue from first-class mail amounted to \$842,695,000. The cost of handling first-class mail in 1952 amounted to only \$790,287,000, giving the Department a net profit of \$52,407,000 on first-class mail and \$6,717,000 on postal savings.

I can see no reason for the Federal Government to continue subsidizing tens of thousands of businesses which operate solely to earn a profit and who use the United States mails to enhance their profits.

I contend that newspaper publishers and magazine publishers are in business for the very same reason that I am in business and that is to make a profit on their investment. On that basis, why should not the Government remove this subsidy and permit them to operate their businesses like other business establishments which are not directly subsidized.

May we consider parcel post for a minute. A few years ago the Congress authorized certain adjustments in rates, weight, and size of packages, but even with the adjusted rate the Post Office Department is still losing \$153 million annually on this class of mail and certainly the record is clear that the postal establishment is still having to compete with our great free-competitive-enterprise system. I do not believe that it was the intent of the Congress to pass legislation that would force the Post Office Department to compete with rail, freight, and express companies. Some of our friends believe that to adjust postal rates on second-class mail, which, I repeat, covers newspapers, magazines, and periodicals, would put these operations out of business. Such would not be the case and the record is clear.

Let me cite an example of just how little annual postage it is costing the weekly newspapers in my district to use the postal service and just how little it would affect them financially to put this class of mail on a financially self-supporting basis. Of course this same condition prevails in all congressional districts. Mr. Chairman, the figures that I shall cite cover the entire annual postage paid by these newspaper publishers for the calendar year 1950:

Newspaper No. 1.....	\$11.84
Newspaper No. 2.....	14.78
Newspaper No. 3.....	27.71
Newspaper No. 4.....	35.37
Newspaper No. 5.....	39.85
Newspaper No. 6.....	48.72
Newspaper No. 7.....	60.90
Newspaper No. 8.....	70.51
Newspaper No. 9.....	70.65
Newspaper No. 10.....	71.50
Newspaper No. 11.....	73.01
Newspaper No. 12.....	74.62
Newspaper No. 13.....	79.05
Newspaper No. 14.....	82.62
Newspaper No. 15.....	117.25
Newspaper No. 16.....	177.82
Newspaper No. 17.....	179.13
Newspaper No. 18.....	239.30
Newspaper No. 19.....	244.16

I have a very high regard for all the editors, publishers, and personnel of the papers in my congressional district to which I have referred, but I sincerely believe that if these publishers would study the facts and figures of the postal establishment they, of their own accord, would endorse and recommend a program to remove these unnecessary and outmoded subsidies, because in the long run it would mean dollars in their own pockets. It may be considered politically dangerous to point out how little annual postage the newspaper publishers pay for their mailings; however, the newspapers, with few exceptions, have been clamoring loudly for economy in Government and the elimination of unwarranted and unneeded subsidies. On that basis I shall take my stand and let the chips fall where they may. My position on postal subsidies may hasten my involuntary retirement from the Congress, but I have never been afraid to speak and act for what I thought was right. So far as my own personal views are concerned, I am in favor of eliminating all subsidies and giving the Postmaster General the right to set postal rates either on a permanent, temporary, or veto basis.

If the Congress in its wisdom would pass legislation putting the Post Office Department on a financially self-supporting basis, I believe that each Member of Congress participating in this needed revision would later be highly commended by his constituents.

There has been a lot said about the restoration of two mail deliveries daily to residential sections. On that subject I should like to associate my views with those of the gentleman from Virginia [Mr. GARY]. In my

congressional district there are some 119 post offices. It has been over 2 years since I have received a complaint due to the limitation of residential deliveries to one a day. At the time I was receiving complaints, it was rather amusing to observe that many of the letters of protest came from citizens of towns that had no residential mail delivery at all. This is a clear indication that those letters of protest were inspired. To return to 2 mail deliveries daily in residential sections would cost the taxpayers \$80 million annually and even with the service reinstated only 32 percent of the population would receive 2 mail deliveries a day.

We all understand that most people work for a living and a great majority of those receiving residential deliveries go to work in the morning and do not return home until in the afternoon. So it matters not to them whether they receive their mail in the morning or in the afternoon. I shall never support a resolution or amendment that would reimpose this luxury.

Mr. Chairman, according to the most recent estimate, the population of the United States for the next fiscal year will reach 162,993,000, and on the basis of that population figure it will cost, if the present appropriation request is granted, every man, woman, and child down to the 1-day-old baby \$17.39 for the postal service they will receive during fiscal 1954. If the rank and file knew it would cost them \$17.39 per person for the mail service they will receive in fiscal 1954, I believe they would demand in large numbers that the Congress remove the many unneeded and outmoded subsidies and place the Post Office Department on a financially self-supporting basis. In my opinion this should be done at the quickest possible time.

I do not believe it possible for any business enterprise or any branch of the Government to accumulate a more efficient staff of businessmen and experts than are now handling the postal establishment. The new Postmaster General, Arthur Summerfield, and his entire staff amazed your committee with the knowledge they had acquired of the postal operations in such a short period. Most of the members of the postal staff are outstanding business executives and experts who are making a great financial sacrifice to serve our Government. They are fair, experienced, and determined to overhaul the postal operation from top to bottom, and with the cooperation of the Congress put the Post Office Department on a business basis. They need the support and encouragement of the Congress to do the job well and to accomplish their objective. I shall extend to them my full support. If given the opportunity, I will support legislation giving the Postmaster General the authority to set postal rates, believing as I do that in the end my small part in helping to accomplish this much-needed reform would win me new friends and the approval of a great majority of my constituents.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to my distinguished chairman.

Mr. CANFIELD. I will be very happy to go along with my distinguished friend from Louisiana in respect to giving the Postmaster General authority to increase postal rates, but with the proviso that any change in postal rates which may be made will be subject to the veto of the Congress, that is, later action on the part of the Congress.

Mr. PASSMAN. I would certainly support that type of legislation giving the Congress the right of veto.

Mr. CANFIELD. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Pennsylvania [Mr. JAMES], a member of our subcommittee.

Mr. JAMES. Mr. Chairman, in view of the very excellent presentations that have been made this afternoon by the chairman of our subcommittee and by the ranking minority member, I find very little to add that would be of value to the members of this committee at the present time. I most happily support those statements that have been made that have intended to indicate to you the spirit of friendship, mutual esteem and admiration, and even fraternal affection, that prevails in our committee.

We of our committee have a big job to do and I believe that we have done a good job. I believe that we have done a good job because our considerations have been given in an atmosphere of friendship. There are other persons who are important to our hearings also. We meet with the heads of every agency in the Treasury Department as well as with the Secretary of the Treasury. We hear the Postmaster General as well as all of the heads of all subdivisions of his Department. So that in all we have had before us a total of 96 witnesses. Of those 96 witnesses not one came from civil life. They were all employees of the United States Government and they were presenting fairly and honestly their justifications for requests for funds to carry on the activities of their respective Departments and agencies for the fiscal year 1955. I believe that every man and every woman who appeared before us were made to feel that they had come into a friendly meeting. They were not there to be put on trial with respect to any of the activities of which they had charge. They were there to give us the facts that we needed in order to determine a proper appropriation for their further activity. For this reason I believe that we got a thoroughly 100-percent response from every one of these witnesses. It has been on the basis of the work we were attempting to do in discovering the needs of these departments and agencies, and upon the fullness, fairness, and responsiveness of the witnesses that we bring our bill to you today.

I do sincerely believe that there may be some question raised as to the adequacy of funds in a few instances. One instance has been raised here this afternoon as to whether the committee feels that the funds allotted are adequate. I would like to say in further answer to that question that in almost every case the head of the agency before us was asked this question: "Do you expect to come in for a deficiency appropriation or a supplemental appropriation?"

In no case do I remember that question being directed to a witness who responded in the affirmative. In each case they told us that they did not believe that they would need to come in for supplementary money, they believed what they had asked for would be adequate for their needs. On that basis we have, I believe, every right to feel justified in presenting to you today the figures con-

tained in this bill for the activities concerned.

There has been another topic touched upon today which has been very well answered by the chairman of the committee and the ranking minority Member, and also supplemented by our colleague, the gentleman from Louisiana [Mr. PASSMAN], and that is on the question of efficiency and improvement and more frequent mail services. The matter of 2-a-day delivery was not particularly in our minds when we discussed with the Post Office Department the matter of efficiency and more frequent deliveries, but we were genuinely interested in the improvement that would make for better deliveries, more frequent deliveries, and we did find on questioning and by voluntary information that a number of things are being done and have been done by the post office, without urging, to accomplish those promises and pledges that are contained in the Republican platform that has been read to you here today. Not the least of these efforts has been the finding and testing, with the idea of using, new and modern methods of handling certain phases of post-office operations. Such things in themselves will make for improvement and consequently more frequent deliveries of the mail. But, there are other ideas under consideration as well to attain those ends. One of the things that I think of, as developed in the hearings, was the matter of changing the time on which mail was to be picked up at the various stations in which it was deposited. It was discovered on experimentation—and it did not take very long to find out—that if a rearrangement of the schedule for picking up mail could be had, the mail could then be transported to its destination hours earlier than it would be if it had been allowed to remain in its deposited spot until the ordinary scheduled time. That resulted in rearranging pickup schedules to an extent where mail in certain instances that had been received as late as 3 or 4 o'clock in the afternoon was delivered in the first hours of the morning. That, of course, is an improvement in the mail service and in a sense it is a more frequent delivery of the mail.

However, this particular phase of postoffice service contemplates many changes. You will recall that not long ago the Postmaster General inaugurated a program of sending certain first-class mail to a destination where it was feasible to do so and where the cost was not prohibitive by airplane, giving in effect the same service to first-class mail that might be given to airmail as such.

There have been other ideas that have been tried out. There is one place in this great country of ours—and this is a great country from the standpoint of post-office transportation and service, because we have many miles to cover in transportation and at heavy costs—but there was a place in this land where the mail used to go down almost 800 miles south, in a certain State, because there was a river and lagoons and several other obstacles on one side, and the mail was

transferred to other cars and sent many miles north, up the other side of those rivers and lagoons to be delivered. It did not take very long to reason that if the mail were thrown off halfway down the peninsula and carried across by truck to the other side, it would certainly reach the delivery points many hours earlier, and at less cost.

That is but one small instance, but the whole study, the whole program in the Post Office Department for achieving more efficiency and more frequent mail delivery is progressing, is bearing fruit and, in the end, will bring many changes that will be generally applauded by the people of this country.

I have great confidence in the men who are operating the Post Office Department, as have also my colleagues on this committee, as testified by their statements here today. We have a team of men under the leadership of the Postmaster General who are not there because they particularly wanted the job, but because they were sought out for their experience in a line of work related to certain operations in the Post Office Department. As the result, there are men today on the Post Office management team that have been great men in their own right, in their own fields, in their own specialized activities in private enterprise.

The Post Office Department needs many things. Among the many things it needs are new working spaces. For the most part, the major post offices of this country today are not working spaces, they are monuments to a bygone age. They are dark, and in many instances, dingy. That is one of the programs I feel we can look forward to if we ever get out of the need of spending so much of our substance on preparations for possible war, and preparations for defense, that will supply our people with great amounts of work to do for a considerable time to come. We have seen the ideas of the Postmaster General as designed for him by capable engineers, ideas for making post offices that are, in fact, efficient working spaces. It is going to take a long while to complete that program or even to make a great start on it, but it is under way.

Mr. SIEMINSKI. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am sure this bill will pass. It is a good bill.

Before making a few observations on the bill, I would like to express to my colleagues on the committee my appreciation for their friendship, their help, and good will. The hearings were lively. I think the people who appeared before the committee were as fine a group of officials as one could hope to hear, bar none. Each sought to strengthen America. I think it a salutary compliment to the United States, to this Government, that in spite of the tensions of the times we can still take time to lay differences on the line, wrap them up, and meet assembled in session, as colleagues and friends, to promote the best interest of this country.

I think a key issue in this bill is the new light in which Government cost accounting is placed. I hope it succeeds.

I wonder whether we can expect and get greater responsibility in finance by delegating authority over money to someone outside the department running the function. Will the new set-up on weather stations put the Coast Guard on allowance, like a kid looking for his weekly two bits from Pop to go to the show? Will it cause a rivalry in the Defense Department? Give it a big-brother, run-along-and-play-Johnny attitude? I hope not.

The profit motive fires incentive in business. Salaries, bonuses, wages, dividends, and pensions depend on profit. Service inspires public officials, creates public trust, gives the citizen fullest protection for his profit and welfare. Are you at your best in government when responsibility is split from authority, especially in money matters?

In the cost allocations of this weather-station program we see a split in responsibility and authority. In war that has not worked. Will it create greater benefits to all concerned in peace? I look forward to the time when the Coast Guard will again control its budget, match cash accountability with functions—responsibility with authority. If the Department of Defense by this step thinks it can do a good job, give us greater protection, I wish it well.

I am sure, however, that the Department of Defense can, in the event of an emergency, set up its own system of patrolling, independent of Coast Guard operations.

I am not very pleased over the cut in manpower of the Coast Guard, especially at a time when we hope for more trade, fruits of the recovery program we have had in the past few years. I like the word "guard." It should mean that we guard our coast, guard it for profit and the enforcement of law so that free enterprise will not be dissipated through bootlegging, black marketeers and sharp, cut-corner traders. I trust the trade-winds will restore to the Coast Guard its slashed reserve personnel.

Customs guards and inspectors at docks, at airfields and elsewhere check to give us revenue as well as to protect and enforce our laws. I offered a suggestion in committee, that a kitty of 50 cents on people who go and come from abroad be paid. That is a dollar round-trip. This means an annual take of \$100 million or more. It will put customs in the black.

Lastly, as to transportation, I sense that major carriers on land, on water, and in the air are going to tangle under the new accounting setup. We are told today that railroads are not selling space for the mails to the Government as efficiently as other carriers. In committee it was not revealed whether post office accounting includes, for air contracts, the cost of bringing mail from town to airfield, getting it aboard the plane, sorting while the plane is in flight—none done as is done by rails in transit—and the cost of mail transport from airfield to post office. I trust the railroads will come out fighting to make sure that costs in contract bids are fully analyzed.

Rails must be helped. In an emergency, with highways gutted and

clogged, rails will be a pivotal link in survival.

In closing, I would like to express my appreciation to the Secretary of the Treasury, to the Postmaster General, and to all who testified for the manner in which they presented their case. It is not easy to come on the Hill and ask for more money when a job has been promised for less; sometimes it costs money, as we know, before one breaks even to do a job for future taxpayers. I hope that the Treasury and the Post Office, in balance, will leave the citizen with enough money to pay his bills and taxes. I will vote for this bill.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. Yes, sir.

Mr. EVINS. The gentleman has made some inquiry as to the firing or dismissal of certain Government employees. I wonder if he could tell us whether or not the firing of Dean Manion was for loyalty or security.

Mr. SIEMINSKI. I have not studied that issue.

Mr. EVINS. Could it be possible that Dean Manion was dismissed because of his opposition to the TVA? His statement that the TVA was creeping socialism and that the TVA should be sold to the private power interests? In view of his known opposition to the TVA, I might add that I personally have no regret that he has been fired from the Government service.

Mr. SIEMINSKI. I shall yield for as many questions to the gentleman as he cares to ask and answer for himself, time allowing.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. CANFIELD. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. VURSELL].

(Mr. VURSELL asked and was given permission to revise and extend his remarks.)

Mr. VURSELL. Mr. Chairman, there has been such a splendid and thorough explanation of this legislation before us, not only by our chairman, assisted by other members on his side, and by the minority chairman, that it would be repetitious and superfluous, to dwell on the provisions of the bill. I would like to devote a few minutes to what might be termed new leadership in the Treasury Department, which covers the Post Office Department. Of course this bill which we are considering covers the Treasury and Post Office, Coast Guard, and various other departments.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I gladly yield to the lady from Illinois.

Mrs. CHURCH. I simply wish to ask the gentleman before he begins on the main subject of his speech whether he is able to assure me that the failure to increase the Coast Guard appropriation would mean any diminution of service on the Great Lakes, particularly Lake Michigan.

Mr. VURSELL. None whatever.

Mrs. CHURCH. We can be assured that what service is there will be continued?

Mr. VURSELL. That is right.

Mrs. CHURCH. Is there any hope that ports like Waukegan will have their Coast Guard protection increased?

Mr. VURSELL. That I could not answer.

Mrs. CHURCH. But there is no diminution of the present service contemplated?

Mr. VURSELL. That is right.

Mrs. FRANCES P. BOLTON. I have the same trite question, What will it do to the Coast Guard in the Cleveland area on Lake Erie's shores?

Mr. VURSELL. It will not diminish its service in any way.

Mrs. FRANCES P. BOLTON. We are finding that Cleveland is coming out of the small end of the horn in quite a number of instances in departmental domination. We lost our main hospital. I trust we are not going to lose our Coast Guard which is so important to us.

Mr. VURSELL. Mr. Chairman, I would like to say from my limited experience here in Congress over the past 12 years that I believe in the representatives and heads of the departments that have come before us I have never seen men more dedicated to giving business leadership to Government; I have never seen a better array of brains backing up their patriotic determination in these critical times, not only to give the people through their various departments the best possible service, and better service than they have had before, but also through their organizational ability to bring the greatest possible economy to government in the hope eventually of balancing the budget and living within the revenue we collect. I agree with the gentleman from Virginia, that it is very important as early as possible, that the budget be balanced and that that be made the fixed and established policy of all administrations that may follow.

We have heard some criticism that there are too many big-business men—some of them have been referred to as multimillionaires—heading our departments of government. Why should we not have in Government men of the broadest possible business experience, successful business men? Because, Mr. Chairman, the United States Government is the biggest business in the world. Unfortunately, through the past 20 years our Government has been builded into the biggest, the most wasteful and extravagant bureaucracy the world has ever known; and it takes men of business experience, yes; the best business brains in the Nation to dismantle, reorganize, and get back to sound policies of government that will shake down this overgrown bureaucracy and again operate it on sound business principles.

It takes men like George Humphreys, the head of the Treasury Department, Mr. Folsom, Mr. Randolph Burgess, Mr. Chapman Rose, and others who are giving such successful leadership to government in the Treasury Department.

It takes topflight business leaders like Mr. Summerfield, Mr. Abrams, Mr. Hook, Mr. Kieb, and others who are doing such a commendable job in directing the Post Office Department. I feel sure Postmaster General Summerfield will go down in

history as one of the greatest, if not the greatest Postmaster General we have had to date. Too much cannot be said for all of his most capable assistants.

Let me also pay my compliments to a great Democrat brought into Government from Virginia, Commissioner of Internal Revenue Coleman Andrews, who is rendering a tremendous and great service directing one of the biggest departments of Government. I think he is the best qualified man that we have ever had in charge of the Internal Revenue Service.

A great service, and a hopeful light for the future of this Government, is that the men the President has been able to persuade to come in and help our Government in these critical times are without exception men who are not only dedicated to the cause for which they give their service at a pittance compared with what they have been making in private life, but they are men who are willing to help do this job for the good of our entire country and all of its people.

I am sure the members of the Appropriations Committee and the Congress fully appreciate the type of business leadership now working with us.

A fine tribute was brought out here on the floor of the House, when the ranking minority member of our committee was able to tell a Member who queried him that we did not have to cut the expenses of various departments of Government. We did not suggest the cuts in certain departments in the Treasury; the department heads insisted that these cuts should be made and that there would be sufficient money left, that they could properly conduct the affairs of their various departments. What a timely and welcome change.

Mr. Chairman, can you imagine how many billions of dollars in the future can and will be saved to the taxpayers because we have businessmen of this type in Government who know how to organize, who know how to economize in Government so that they can live within their appropriations and not come back for supplemental appropriations, men who now work with and cooperate with our committees.

I was amazed at one little department, the mint. We had made such a reduction, with their help, a year ago, that I expected, and I think many members of the committee expected, they would have to come back for a supplemental appropriation. But they did not. When they did come back for their appropriation in this bill, I was surprised that they did not request an increase. And may I say that almost without exception, the various departments asked for less this year, notwithstanding the tremendous reductions that were made last year in these service organizations that cannot be reduced as much as most other departments. They asked for less. The mint, as we thought, had certainly been reduced by a very large percentage a year ago. They came in with a request for an appropriation of \$4½ million. They had again reduced their own appropriation request by \$200,000 for this year. They were asked the question how they were

able to do it. They explained it, and the committee was satisfied.

Mr. Chairman, I am satisfied that the people, and all of the Members of Congress, are pleased with the leadership and the service that these splendid men at the head of the department are bringing to the Government. I feel certain that the Congress will back them up until the day shall come, we hope in the near future, when we can have a balanced budget, the result of applying sound business methods to government, which we have needed for so many years in the past.

Mr. CANFIELD. Mr. Chairman, I yield myself 6 additional minutes. I have in mind that the distinguished gentleman from Illinois [Mr. O'HARA] may have a question he would like to propound at this time.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield to me?

Mr. CANFIELD. I yield to the gentleman from Illinois.

Mr. O'HARA of Illinois. With others on this side, I have profound respect for the distinguished chairman and the membership of his subcommittee. I feel disposed to support their recommendations. But I wish assurance on one point. I was disturbed when my colleague from Illinois [Mr. VURSELL], with whom I have enjoyed a long and affectionate friendship, was talking about balancing the budget. I wish to be assured that balancing the budget will not be put in priority to the payment of wages to postal and Treasury and other Government workers, in line with the increases which they are now reasonably requesting. I am sure there are many of us here who will not consent to an adjournment of this Congress until an \$800 annual minimum increase has been voted.

What is the position of the chairman and of the committee? Is balancing the budget to take priority over doing the decent thing in the matter of the payment of wages?

Mr. CANFIELD. First, may I say to the gentleman from Illinois [Mr. O'HARA] that we cannot in this bill provide any increases for postal workers. Under the rules of Congress, we of the Appropriations Committee have to report out funds to implement existing laws. We cannot anticipate new laws. Insofar as the cause of the postal workers is concerned, speaking for myself, back early in December when our subcommittee was called here to Washington to start hearings on this bill, the Postmaster General came before our group as a witness. I questioned him on the Department's program with reference to increased salaries. In fact, that is the first time it was brought up insofar as this session of the Congress is concerned. I told him in the hearings that I believed a salary bill would be reported out and passed by the Congress and I read into the record the results of a questionnaire sent out to postal workers in my district by national organizations, having to do with their good and welfare. That questionnaire showed particularly among letter carriers, that most of them had to indulge

in outside employment in order to be able to live properly.

I urged the Postmaster General and the higher echelons in his department, in their review of this picture, to go into that phase very definitely to find out why it was necessary for so many postal workers to engage in outside employment; and to come back, if possible, with some helpful remedial legislation.

Beyond that I am sure that the gentleman from Illinois [Mr. O'HARA] will agree that we members of the subcommittee could not go at that time.

Mr. O'HARA of Illinois. I appreciate very much the explanation that the chairman has made. I knew from my private conversations with him, and from his public actions and statements, where he stood and the sincerity of his devotion to the public workers. But I thought it important to the country that the committee should be put on public record, the understanding being that if at a later time we legislate for substantial increases in the wages of Federal workers, the gentleman's committee and the Appropriations Committee as a whole will come forward with the funds and not try to hamstring the will of the House.

Mr. CANFIELD. That is correct.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I yield to the gentleman from Virginia.

Mr. GARY. Is it not true that if the Congress authorizes an increase in salary for postal employees and for other Government employees, each department upon which additional charges are fixed will then come before the Congress with a supplemental request, and a supplemental appropriation bill will be brought to the floor and passed in order to provide sufficient sums to pay whatever amount Congress recommends as the proper amount?

Mr. CANFIELD. That is true. We will be mandated to carry through, and we shall do just that.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CANFIELD. I am happy to yield to the gentleman from Illinois, who is always so kind and gracious to me.

Mr. O'HARA of Illinois. Many of the workers in the Internal Revenue Office in Chicago have been forced because of wage and working conditions to quit their employment. They are very much concerned.

Mr. CANFIELD. I hope the gentleman from Illinois has heard our report on this bill.

Mr. O'HARA of Illinois. I have and I commend the gentleman and his associates on the committee for their realistic grasp of a serious situation.

Mr. CANFIELD. We are urging reclassification, particularly among the frontline enforcement troops of the Internal Revenue Service; \$5,200 a year average per man is not enough for that type of work.

Mr. O'HARA of Illinois. I wonder if the chairman of the committee could take additional time to explain more thoroughly what is meant by the appro-

priation for educating workers in that Department? Is it intended to build up a new group of people to take the place of the older workers? In that I could see certain dangers as well as promise of some future advantage. I think it should be spelled out very carefully.

Mr. CANFIELD. No, indeed. It is for both approaches, one to train the present staff, the other to train new employees sadly needed. Up until the present time we have not had adequate civil-service registers. We are 838 short now in the frontline troops in the Internal Revenue Service, because we cannot get the men we need for that type of work. This new training program will help us meet the bill.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE II—POST OFFICE DEPARTMENT

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1955, as authorized by law (39 U. S. C. 786, 794a), together with an amount from any money in the Treasury not otherwise appropriated, equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of asking the chairman of the subcommittee a question: First, I should like to say that I have a great deal of regard for the gentleman and I feel that his committee has done a very fine job on this bill. However, in view of what has been said about the decreases, the savings, and so on, I should like to ask about this increased appropriation for interest on the public debt. On page 36 of the report it works out at an increase of \$275 million. Now the question I have is, is that because of an increase in the debt or is that because of an increase of the interest rates on the debt?

Mr. CANFIELD. Last year, as the gentleman may recall, there was a big maturity that had to be refinanced, and as the gentleman from Virginia has pointed out, there has been an increase in the interest rate paid out on securities. That was discussed earlier in the day.

Mr. HAYS of Ohio. Yes, I know that but the major proportion of this \$275 million would probably be because of an increase in the interest rate; is that not correct?

Mr. CANFIELD. That is true.

Mr. HAYS of Ohio. There is another question that I would like to ask and that is on the same page you have reduced by \$342 million the amount appropriated for refunds on internal revenue collections. How can you predict in advance that they are going to refund that much less money?

Mr. CANFIELD. That is their best calculation of a permanent indefinite estimate. They have made mistakes in yesteryear and correction had to be made

by the Congress. They can only estimate and the new service is trying hard to be as accurate as possible.

Mr. HAYS of Ohio. I thank the gentleman. I just want to point out that this is only an estimate and here we are with a bill which shows a net reduction, but when we get a few simple figures we may find out that probably is net increase which is going to be a little hard to put your finger on.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I listened to the distinguished chairman of the subcommittee in his opening remarks, and I am interested in his breakdown of what was happening to the Coast Guard. I notice there you are reducing the Coast Guard stations from a total of 10 to perhaps 7?

Mr. CANFIELD. That is in reference to the ocean-ship weather-station program.

Mr. BAILEY. That is right.

Mr. CANFIELD. The reduction there is from 10 $\frac{2}{3}$ to 5 $\frac{2}{3}$ because Civil Aviation holds there is no requirement on their part, but the Defense Establishment holds that 5 $\frac{2}{3}$ stations should be maintained. They are reimbursing the Coast Guard for the expenses involved.

Mr. BAILEY. I know, but that is not the point I am driving at. I had the opportunity of serving on a committee some 2 or 3 years ago investigating safety devices in harbors like Boston and New York and other places. We did not recommend any legislation because we found out that the Coast Guard did most

of these inspections. Just what are you doing to the Coast Guard which would reduce them to the point where they could not make the inspections for handling devices for loading and unloading ships which they have been doing?

Mr. CANFIELD. They are not being reduced on that item at all. That has nothing to do with the ocean-ship program. They are not being reduced on that item which the gentleman is now discussing. The gentleman first started out and referred to the cut in the ocean-ship program which has nothing to do with navigation aids. That service is being maintained.

Mr. BAILEY. If you reduce the facilities in the Atlantic, they would have to reduce the facilities to properly safeguard those ports. But look at it from the point of view of security. Who is going to make the inspections? If an enemy should launch an attack and make a sudden surprise attack on us, how easy it would be to bring several ships into the harbor loaded with explosives. Who is going to make the inspection?

Mr. CANFIELD. The harbor patrol service of the Coast Guard is not being cut at all.

Mr. BAILEY. I am glad to know that.

Mr. CANFIELD. The harbor patrol service of the Coast Guard is not being cut at all.

Mr. GARY. The gentleman from West Virginia is talking about the port security program. That is being reduced.

Mr. CANFIELD. The Shoreside Patrol is being reduced. That is right. I pointed that out in my opening statement.

Mr. GARY. I thought the gentleman misunderstood the gentleman's question. He is referring to the Port Security.

Mr. BAILEY. For the benefit of the gentleman, that program covered some very unsatisfactory features as to certain companies being used in the port for the protection of the longshoremen. But along came the Coast Guard saying that if we proposed any legislation we were invading their authority; that they had authority to make these inspections. I am curious to know what you are doing to prevent them from carrying out that function.

Mr. CANFIELD. That function is not being taken away from the Coast Guard. It is being cut. The Mutual Security Assistance program, because of the lessening of these shipments and because of the help being accorded by the steamship companies involved, is being cut.

Mr. BAILEY. What ground have we for making reductions when that might involve our safety in time of war?

Mr. CANFIELD. I do not believe the Coast Guard would recommend these reductions if they felt that was true. We are not cutting the budget requested by the Coast Guard 1 cent, except as it applies to printing costs.

Mr. BAILEY. I thank the gentleman for the information. I hope, however, that it works out all right, but I may have an opportunity to tell the gentleman different in the future.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. CANFIELD. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House without amendment, with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 7893, directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. CANFIELD. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute in order to ascertain the program for next week.

The SPEAKER. Is there objection?

There was no objection.

Mr. HALLECK. I will be glad to inform the gentleman. It is our intention to adjourn over until Monday.

ADJOURNMENT UNTIL MONDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. RAYBURN. Mr. Speaker, will the gentleman state what we may expect for next week?

Mr. HALLECK. Monday has already been set aside for the reading of Washington's Farewell Address. That will be the entire program for Monday.

The Appropriations Committee has filed a report on the deficiency bill. I understand there is no controversy about it. We expect to call that up on Tuesday.

I am hoping that the Rules Committee will grant a rule on House Joint Resolution 355, the so-called Mexican labor bill. It has been reported out by the Committee on Agriculture. If that rule is granted we will call that bill up after we dispose of the appropriation bill.

Mr. RAYBURN. Does the gentleman have much hope that that will be done?

Mr. HALLECK. Yes, I hope it will be.

Mr. RAYBURN. And that would be the program for next week?

Mr. HALLECK. Yes. There are some other bills that are in the process of being reported. If they are reported and rules for them are granted we will try to call them up. But as I have heretofore stated to the gentleman sufficient advance notice will be given that the Members will have ample knowledge of what is going on.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tomorrow night to file a report on the bill S. 2150, and that any member of the committee who desires to do so may have permission to file minority or supplemental views subsequent to the report of the committee, the said views to be printed as part II of the report.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. COLE of New York in five instances.

Mr. VAN ZANDT in one instance.

Mr. SEELY-BROWN in one instance.

Mr. HOSMER in three instances and to include extraneous matter.

Mr. ARENDS and to include additional matter.

Mr. LANE in two instances and to include additional matter.

Mr. WIGGLESWORTH and include an address by Dean Johnson, of Columbia University, notwithstanding the estimated cost will be \$191.25.

Mr. FORAND.

Mr. ANGELL and to include extraneous matter.

Mr. BOGGS and to include extraneous matter.

Mr. ASHMORE and to include a speech on Frances Willard.

Mr. DEANE and to include extraneous matter.

Mr. MACHROWICZ in six instances and to include certain editorials.

Mr. BLATNIK and to include certain editorials.

Mr. ADDONIZIO and to include a statement and an editorial.

Mr. WILLIAMS of New Jersey in two instances and to include extraneous matter.

Mr. KLUCZYNSKI in three instances.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 11, 1954
For actions of May 10, 1954
83rd-2nd, No. 85

CONTENTS

Appropriations.....1	Fertilizer.....19	Research.....15
Banking and currency....7	Fish.....3	Safety.....13
C. C. C.....1,20	Forestry.....6	Statehood.....18
Containers.....5	Loans, farm.....11,12	Statistics.....20
Copper imports.....8	Marketing.....3,4,5	Surplus commodities.....21
Dairy industry.....17	Nomination.....1	Taxation.....10
Education.....9,12	Price supports.....1,17	Trade, foreign.....8,22
Electrification.....14	Property.....10	Veterans' benefits.....12
Farm program.....16	Reclamation.....23	Water facilities.....11

HIGHLIGHTS: Senate received nomination of Farrington to CCC Board. Senate committee reported Treasury-Post Office appropriation bill. House Rules Committee cleared standard container bill. Sen. Aiken offered amendments to fish marketing bill. Rep. Hebert criticized REA policy.

SENATE

1. NOMINATION of Robert L. Farrington, to be a member of the CCC Board of Directors, was received (p. 5936).

2. TREASURY-POST OFFICE APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 7893 (S. Rept. 1286) (pp. 5888-9).

3. FISH MARKETING. Sen. Aiken submitted amendments which he intends to propose to S. 2802, to earmark Sec. 32 funds for fish and related products (p. 5892).

4. MARKETING COSTS. Sen. Young inserted and commended a Country Gentleman article by Sen. Mundt stating that the farmer should get a larger share of the consumer's dollar (pp. 5896-7).

HOUSE

5. CONTAINERS. The Rules Committee reported a resolution for consideration of H. R. 8357, to amend the Standard Container Act so as to authorize a 3/8 bushel basket (p. 5941).

6. FORESTRY. Rep. Long spoke in favor of H. R. 2725, his bill providing for sale of certain lands in the Kisatchie National Forest (pp. 5941-2).

7. BANKING AND CURRENCY. Rep. Patman criticized the "hard-money, high-interest policy" of the Administration (pp. 5966-70).

8. COPPER IMPORTS. The Ways and Means Committee reported with amendment H. R. 7709, to continue through June 1956 the suspension of certain import taxes on copper (H. Rept. 1574) (p. 5973).

9. EDUCATION. The Education and Labor Committee reported with amendment H. R. 7434,

to establish a National Advisory Committee on Education (H. Rept. 1564)(p.5973).
This Committee also reported without amendment H. R. 9040, to authorize cooperative research in education (H. Rept. 1565)(p. 5973).

BILLS INTRODUCED

10. PROPERTY. H. R. 9065, by Rep. Broyhill, to provide for payments in lieu of taxes on Federal real property; to Interior and Insular Affairs Committee (p. 5973).
11. WATER-FACILITIES LOANS. H. R. 9068, by Rep. Curtis, Nebr., to amend the Water Facilities Act so as to extend it to the entire country and increase the individual loan limit; to Agriculture Committee (p. 5973).
12. FARM LOANS; EDUCATION. H. R. 9072, by Rep. Ford, to extend benefits of the Veterans' Readjustment Assistance Act to persons who served between World War II and the Korean conflict; to Veterans' Affairs Committee (p. 5973).
13. SAFETY. H. R. 9075, by Rep. St. George, to provide for a Federal Safety Division in the Labor Department; to Education and Labor Committee (p. 5973).

ITEMS IN APPENDIX

14. ELECTRIFICATION. Extension of remarks of Rep. Hebert criticizing REA's loan policy and including correspondence with REA relative to a loan application (pp. A3386-9).
Extension of remarks of Rep. Evins claiming that public power competition has brought down the rates of private power companies (pp. A3376-7).
15. RESEARCH. Sen. Johnson, Tex., inserted E. V. Walton's article discussing the effect of farm losses from weather, insect damage, harvesting wastes, storage, and marketing, and recommending more research to salvage a large part of these losses (pp. A3373-4).
16. FARM PROGRAM. Sen. Morse inserted radio broadcasts by Glenn J. Talbott criticizing the Administration's farm program (pp. A3392-401).
17. PRICE SUPPORTS. Rep. Van Pelt inserted the 1954 platform of the Wis. Federation of Young Republicans which included a strong endorsement of flexible price supports (pp. A3408-9).
Rep. Wier inserted a newspaper editorial criticizing the reduction in dairy price supports (p. A3417).
18. STATEHOOD. Del. Farrington inserted various materials favoring Hawaii statehood (pp. A3371-3).
19. FERTILIZER. Sen. Morse inserted a Pacific Northwest Cooperator article discussing the value of a high dam at Hells Canyon from the standpoint of production of cheap fertilizer (p. A3379).
20. CCC; STATISTICS. Rep. O'Hara, Ill., inserted a report to his constituents discussing various laws recently passed, including those increasing CCC's borrowing power and repealing the requirement for statistics on red cedar shingles (pp. A3401-2).
21. SURPLUS COMMODITIES. Rep. Sullivan inserted her testimony before the House Agriculture Committee in favor of her bill, H. R. 7870, to provide for disposal of surplus foods under a food-stamp plan (pp. A3427-31).

TREASURY AND POST OFFICE DEPARTMENTS, EXPORT-IMPORT
BANK OF WASHINGTON, AND RECONSTRUCTION FINANCE
CORPORATION APPROPRIATION BILL, FISCAL YEAR 1955

MAY 10 (legislative day, APRIL 14), 1954.—Ordered to be printed

Mr. BRIDGES for Mr. McCARTHY, from the Committee on Appro-
priations, submitted the following

REPORT

[To accompany H. R. 7893]

The Committee on Appropriations, to whom was referred the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes, report the same to the Senate with amendments.

Amount of bill as passed House	\$3, 333, 241, 600
Amount of decrease by Senate	508, 900
Amount of bill as reported to the Senate....	3, 332, 732, 700
Amount of regular estimates for 1955	3, 338, 783, 000
Amount of appropriations for 1954	3, 383, 726, 750
The bill as reported to Senate:	
Under the appropriations for 1954	50, 994, 050
Under the estimates for 1955	6, 050, 300

Treasury Department bill, title I:

Amount as passed House and reported to Senate-----	\$577, 855, 600
Amount of regular estimates for 1955-----	578, 783, 000
Amount of appropriations for 1954-----	611, 995, 000
The bill as reported to the Senate:	
Under the estimates for 1955-----	927, 400
Under the appropriations for 1954-----	34, 139, 400

Post Office bill, title II:

Amount as passed House-----	2, 755, 386, 000
Amount of decrease by Senate-----	508, 900
Amount of bill as reported to Senate-----	2, 754, 877, 100
Amount of regular estimates for 1955-----	2, 760, 000, 000
Amount of appropriations for 1954-----	2, 771, 731, 750
The bill as reported to the Senate:	
Under the estimates for 1955-----	5, 122, 900
Under the appropriations for 1954-----	16, 854, 650

GENERAL STATEMENT

The bill provides a total of \$3,332,732,700 for the 1955 regular annual appropriations of the Treasury and Post Office Departments. Of this amount the committee recommends \$577,855,600 for the Treasury Department, the same amount as allowed by the House, and \$2,754,877,100 for the Post Office Department, a reduction of \$508,900 under the House allowance.

Percentagewise the total amount recommended would be 0.18 percent under the 1955 estimates, and 1.50 percent under the 1954 appropriation.

Permanent indefinite appropriations are not carried in the bill. The 1955 estimates in the category for general and special funds were \$10,191,602,145, or a decrease of \$66,501,571 when compared to the 1954 appropriation. Included in this estimate is \$6,800,000,000 for interest on the public debt, which is an increase of \$275,000,000 when compared to the 1954 appropriation.

The estimate of \$7,533,526,290 for trust funds is likewise not shown in the 1955 bill. This estimate includes \$5,980,643,241 for the Federal old-age and survivors insurance trust fund, which reflects an increase

of \$838,982,719 over the 1954 amount in this account. Details of the items comprising the Treasury Department's estimates for the general and special funds, as well as the trust funds, may be found in the tables of this report.

TITLE I—TREASURY DEPARTMENT

The committee recommends the sum of \$577,855,600 for the 1955 operating expenses of the Treasury Department, which is identical to the amount contained in the House allowance. The amount as approved by the committee reflects a decrease of \$927,400 under the 1955 budget estimates and a reduction of \$34,139,400 under the appropriation for the current year.

COAST GUARD

The greater portion of the reduction, when compared to the appropriation for 1954, is represented in the funds for operating expenses in the Coast Guard appropriation, and the discontinuance of the ocean weather-station program by July 1, 1954. However, the Coast Guard will continue to operate 5½ weather stations at an estimated cost of \$15,675,000 on a reimbursable basis for the Department of Defense. The committee has been informed that the full amount of \$15,675,000 has been added to the Navy budget under the appropriations for "Ships and facilities" with a notation to the effect that this amount is for reimbursement to the United States Coast Guard for the operation of ocean stations formerly carried in the Coast Guard's appropriation for operating expenses.

The committee expressed concern with respect to the budgeting method utilized to carry on the ocean station weather program. The committee agreed unanimously with the language contained on page 15 of the House report and especially emphasizes the following portion:

It is felt that the agency having the responsibility for an activity, and particularly when that activity is not solely required by one agency but serves more than one agency or responsibility of Government, the agency performing the work is better qualified to present the requirement than another agency even though that other agency has an interest in the activity.

BUREAU OF CUSTOMS

The committee considered the need of the interested parties in the State of Washington for reactivation of the customs station located at Nighthawk on the Canadian border, and feels confident that the Bureau of Customs can make the necessary adjustments in order to absorb some of the cost of providing the services of one man at this particular station.

INTERNAL REVENUE SERVICE

The committee commends the Internal Revenue Service for maintaining a high degree of efficiency in the collection of revenue without expressing the need for an increased appropriation. Also the committee was pleased to hear that the amount of \$265,912,000 contained in the bill for the Internal Revenue Service would provide for the employment of a sufficient number of trained employees for use in the collection of revenue.

TITLE II—POST OFFICE DEPARTMENT

The committee recommends approval of the sum of \$2,754,877,100 for the Post Office Department, a reduction of \$508,900 under the House allowance. The amount as approved by the committee is \$5,122,900 under the estimates for 1955 and a decrease of \$16,854,650 under the appropriations for the current year. The bill provides again this year that not to exceed 5 percent of any appropriation available to the Department for the current fiscal year may be transferred with the approval of the Bureau of the Budget to any other such appropriation or appropriations provided that the appropriation for "Administration" shall not be increased by more than \$2,000,000 as a result of such transfers. The committee provided further that function financed by the appropriations shall not exceed a total transfer from 1 account to another of more than 5 percent or not more than \$138,000,000 in total transfers in the fiscal year.

The committee has been advised of a continued increase in post-office business. The increase in revenue is 4.27 over 1954 and the obligation shows a decrease of 0.32 percent. Also the figures indicate a 3.14 percent increase in the volume of work and a 0.22 decrease in manpower. The estimated deficit for the fiscal year 1955 is \$329,000,000, which shows a considerable decrease when compared to the estimated deficit of \$437,000,000 for the current year.

Details of the Post Office Department's appropriation may be found in the tables of this report.

The decrease of \$508,900 under the House allowance is evidenced in the funds requested for the postal inspection service. The committee considered the Post Office Department's request for an additional 150 inspectors and noted that the need was justified primarily on the basis of an increased use of postal inspectors in the management program. In view of the existing force of 900 postal inspectors as well as the Department's commitments to outside management firms and consultants the committee agreed to reduce the amount requested by the inspection service by one-third. This will allow sufficient funds for the employment of an additional 100 individuals or a total force of 1,000 postal inspectors.

EMPLOYMENT OF OUTSIDE MANAGEMENT FIRMS

The committee is disturbed over the continued and increasing amount of money used by the Post Office Department to defray the cost of consultants and private firms engaged in management surveys and improvements. Figures supplied by the Department indicate that the total of such contracts, as of January 26, 1954, is somewhat in excess of \$700,000. It should be pointed out that in addition to trained management people in the inspection service the General Accounting Office and the Civil Service Commission are well equipped to assist the Department in financial and personnel improvements without the necessity of engaging outside firms or consultants. In the future the committee will expect a report from the Post Office Department 30 days prior to the consummation of a contract with private individuals or firms.

FOURTH-CLASS POST OFFICES

The committee recognizes that sometimes it is wise to close fourth-class post offices after proper surveys, but it is inexcusable for the Post Office Department to fail to notify the Member of Congress representing the particular State or district that will be affected by the change. The committee believes that the Post Office should give the interested Member of Congress at least 30 days' notice before the actual closing of a fourth-class post office.

THREE-CENT AIRMAIL

The committee has been informed by the Post Office Department that the transportation of 3-cent mail by air between Washington and Chicago; New York and Chicago and certain points in the South is being handled at no greater cost than surface transportation. The opinion rendered by the Comptroller General with respect to this experimental phase of mail transportation was largely centered around transportation at no greater cost and no degree of loss in the regular 6-cent airmail field. The committee respectfully requests the Post Office Department to render a report to this committee, not later than 60 days after the passage of this act and thereafter at quarterly intervals, which will show the full and complete cost of transporting 3-cent mail by air, including clerical and ground costs, as well as the comparative cost of surface transportation between these same points. The report shall also contain the Postmaster General's observations and recommendations with respect to the extent of expansion feasible in the carriage of 3-cent mail by air.

The committee has placed a provision in the bill, which will require the Post Office Department to submit quarterly reports on the major changes in the postal transportation field.

LANGUAGE CHANGES

The committee has noted and approved the language included in the bill by the House with the following exceptions:

Page 11, line 7: Change "rewards" to read "rewards for information". This phrase will then read:

and not to exceed \$20,000 for rewards for information, as provided herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate.

Page 11, line 10: Addition of the statutory references "(28 U. S. C. 2672; 31 U. S. C. 224c)" following the word "damages".

Page 11, line 24: Additions in language to read—

Provided further, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget between such appropriations to the extent necessary to improve administration and operations, but not to exceed a total transfer from one appropriation account to another of more than five per centum and not more than a total of \$138,000,000 may be transferred during the current fiscal year.

Page 12, line 14: A new provision to read:

Provided, That the Post Office Department shall report not less than once every three months to the Appropriations Committees of the Senate and House of Representatives all major transportation changes, such report to include the total cost of the eliminated and replacement service for airline, truck, and railroad transportation.

Page 14, section 206: This section is amended to read:

Not exceeding \$5,000,000 of appropriations in this title shall be available for payment to the General Services Administration of such additional sums as may be necessary for repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes, of which not to exceed \$4,000,000 shall be available for improved lighting, color, and ventilation for the specialized conditions in workroom areas.

TITLE III—GOVERNMENT CORPORATIONS

EXPORT-IMPORT BANK

The committee recommends for approval the sum of \$1,070,000, which is the same amount as requested and approved by the House, to provide for the administrative expenses of the Export-Import Bank of Washington. The bank does not require an appropriation, but merely the establishment of an allowance to permit the use of a small portion of the bank's earnings for administrative expenses. The allowance requested for fiscal 1955 is \$46,000 less than the allowance for the current year.

RECONSTRUCTION FINANCE CORPORATION

The committee recommends for approval the sum of \$3,500,000, the same amount as provided in the House allowance, for administrative expenses in connection with the liquidation of the Reconstruction Finance Corporation. This amount is \$3,115,000 below the appropriation for the current year and \$130,000 less than the 1955 budget estimate.

LANGUAGE CHANGES

The committee approved the following language to be included on page 17, line 10, of the bill:

Not to exceed \$50,000 of the funds available pursuant to section 409 of the Federal Civil Defense Act of 1950 (50 U. S. C. App. 2261), shall be available during the current fiscal year for administrative expenses necessary to carry out the functions, powers, duties, and authority of the Treasury Department under said section.

COMPARATIVE STATEMENTS OF APPROPRIATIONS FOR 1954. ESTIMATES FOR 1955 AND AMOUNTS RECOMMENDED IN THE BILL FOR 1955

TITLE I—TREASURY DEPARTMENT

Appropriations	Appropriations, 1954 (adjusted) ¹	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (—) Senate bill compared with—	
					Appropriations, 1954	Estimates, 1955
Office of the Secretary: Salaries and expenses.....	\$2,670,900	\$2,620,000	\$2,600,000	\$2,600,000	—\$70,900	—\$20,000
Bureau of Accounts:						
Salaries and expenses.....	2,729,100	2,700,000	2,548,700	2,548,700	—180,400	—151,300
Division of Disbursements.....	10,140,000	14,600,000	14,500,000	14,500,000	+4,360,000	—100,000
Total, Bureau of Accounts.....	12,869,100	17,300,000	17,048,700	17,048,700	+4,179,600	—251,300
Bureau of the Public Debt.....	49,660,000	45,400,000	44,997,300	44,997,300	—4,662,700	—402,700
Office of the Treasurer:						
Salaries and expenses.....	16,934,000	15,600,000	15,499,000	15,499,000	—1,435,000	—101,000
Contingent expenses, public moneys.....	416,000	(²)			—416,000	
Total, Office of the Treasurer.....	17,350,000	15,600,000	15,499,000	15,499,000	—1,851,000	—101,000
Bureau of Customs: Salaries and expenses.....	40,500,000	40,000,000	39,996,300	39,996,300	—503,700	—3,700
Internal Revenue Service.....	266,000,000	266,000,000	265,912,000	265,912,000	—88,000	—88,000
Bureau of Narcotics: Salaries and expenses.....	2,790,000	2,770,000	2,770,000	2,770,000	—20,000	

See footnotes at end of table, p. 8.

Comparative statements of appropriations for 1954, estimates for 1955 and amounts recommended in the bill for 1955—Con.

TITLE I.—TREASURY DEPARTMENT—Continued

Appropriations	Appropriations, 1954 (adjusted) ¹	Estimates, 1955	Recommended in House bill for 1955	Amount recommended by Senate committee	Increase (+) or decrease (–) compared with—	
					Appropriations, 1954	Estimates, 1955 House bill
U. S. Secret Service:						
Salaries and expenses.....	\$2,500,000	\$2,438,000	\$2,438,000	\$2,438,000	—\$62,000	-----
White House Police.....	730,000	712,000	712,000	712,000	—18,000	-----
Guard Force.....	375,000	268,000	268,000	268,000	—107,000	-----
Total, U. S. Secret Service.....	3,605,000	3,418,000	3,418,000	3,418,000	—187,000	-----
Bureau of the Mint.....						
Coast Guard:						
Operating expenses.....	188,250,000	155,900,000	155,889,300	155,889,300	—32,360,700	-----
Acquisition, construction, and improvements.....	2,500,000	3,000,000	3,000,000	3,000,000	+500,000	-----
Retired pay.....	18,600,000	19,775,000	19,775,000	19,775,000	+1,175,000	-----
Reserve training.....	2,500,000	2,500,000	2,500,000	2,500,000	-----	-----
Total, Coast Guard.....	211,850,000	181,175,000	181,164,300	181,164,300	—30,685,700	-----
Total, title I—Treasury Department.....	611,995,000	578,783,000	577,855,600	577,855,600	—34,139,400	-----
					—927,400	-----

¹ For comparative purposes, amounts shown are different from those appearing in the Treasury Department Appropriation Act, 1954, due to transfers of activities under the reorganization plan.

² Includes \$301,200 for activities previously carried under "Salaries and expenses, Bureau of Narcotics," and "Administering the public debt, Bureau of the Public Debt." Excludes \$18,100 for activities previously carried under this appropriation and transferred to "Salaries and expenses, Bureau of Accounts, Treasury."

³ Included \$929,100 for activities previously carried under: "Salaries and expenses, Division of Disbursement," \$860,000; Salaries and expenses, Office of Secretary of Treasury, \$18,000; and "Administering the public debt, Bureau of the Public Debt," \$51,000.

⁴ Excludes \$860,000 for activities transferred to "Salaries and expenses, Bureau of Accounts, Treasury."

⁵ Includes \$337,300 for activities previously carried under "Contingent expenses, public moneys, Office of the Treasurer," and \$400,000 for activities carried under "Administering the public debt, Bureau of Public Debt."

⁶ Estimate of \$337,300 for activities previously carried under the title has been transferred in the estimates to "Salaries and expenses, Office of the Treasurer."

⁷ Excludes \$12,200 for activities transferred in the estimates to "Salaries and expenses, Office of the Secretary of the Treasury."

TITLE II—POST OFFICE DEPARTMENT

Administration.....	\$18,014,000	\$20,494,000	\$20,000,000	\$19,491,100	+\$1,477,100	-\$1,002,900	-\$508,900
Operations.....	1,899,480,700	1,901,776,000	1,899,776,000	1,899,776,000	+295,300	-2,000,000	-----
Transportation.....	722,822,050	703,219,000	702,219,000	702,219,000	-20,603,050	-1,000,000	-----
Finance.....	17,920,000	8,501,000	8,501,000	8,501,000	-9,419,000	-----	-----
Facilities.....	113,495,000	126,010,000	124,890,000	124,890,000	+11,395,000	-1,120,000	-----
Total.....	2,771,731,750	2,760,000,000	2,755,386,000	2,754,877,100	-16,854,950	-5,122,900	-508,900
Grand total, titles I and II.....	3,383,726,750	3,338,783,000	3,333,241,600	3,332,732,700	-50,994,050	-6,050,300	-508,900

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1954 AND THE ESTIMATES FOR 1955—PERMANENT INDEFINITE APPROPRIATIONS—TREASURY DEPARTMENT

Object	Appropriations, 1954	Estimates, 1955	Increase (+) or decrease (—)
General and special funds:			
Interest on the public debt.....	\$9,525,000,000	\$9,800,000,000	+\$275,000,000
Public debt retirements payable from ordinary receipts and other statutory retirements.....	619,788,100	619,788,100	-----
Losses in melting gold.....	500	1,000	+500
Refund of moneys erroneously received and covered.....	1,500,000	1,500,000	-----
Interest on uninvested trust funds.....	4,995,425	5,145,425	+150,000
Refunds and drawbacks, Customs.....	20,000,000	20,000,000	-----
Refunding internal revenue collections.....	3,070,000,000	2,728,000,000	--342,000,000
Internal revenue collections for Puerto Rico.....	15,700,000	15,700,000	-----
Coconut oil tax, collections for American Samoa, Internal Revenue.....	25,000	25,000	-----
Contributions for annuity benefits, White House police and Secret Service forces.....	127,287	130,800	+3,513
Minor coinage profits, etc.....	545,944	600,000	+54,056
Silver profit fund.....	23,133	500,000	+476,867
Permanent private relief acts.....	1,620	1,620	-----
Expenses of administration of Settlement of War Claims Act of 1928.....	10,000	10,000	-----
Obligations retired from Federal Intermediate Credit Bank franchise tax receipts.....	386,707	200,200	--186,507
Total, general and special funds.....	10,258,103,716	10,191,602,145	--66,501,571
Trust funds (not a charge against revenue):			
Federal old-age and survivors insurance trust fund.....	5,141,660,522	5,080,643,241	+838,982,719
Pershing Hall memorial fund.....	4,978	4,978	-----
Unemployment trust fund.....	1,566,472,927	1,545,495,449	--20,977,478

Payment of pre-1934 bonds of the Government of the Philippines.....	170,586	170,586
Mexican claims fund.....	2,500,000	2,500,000
Payment of unclaimed moneys.....	100,000	100,000
Refunds, transfers and expenses of operation, Puerto Rico, Bureau of Customs.....	4,000,000	4,000,000
Refunds, transfers and expenses of operation, Virgin Islands, Bureau of Customs.....	194,000	194,000
Refunds, transfers and expenses of unclaimed, abandoned and seized goods, Bureau of Customs.....	360,000	360,000
Expenses, Treasury Department, enforcement title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands.....		-68,855
Total, trust funds.....	6,715,589,904	7,533,526,290
	126,891	58,036
		-817,936,386

ADMINISTRATIVE EXPENSES OF GOVERNMENT CORPORATIONS

[Limitation on amount of corporate funds to be expended]

Corporation	Authorization, 1954	Budget esti- mates, 1955	Recommended in House bill	Amount rec- ommended in Senate bill	Increase (+) or decrease (-), Senate bill compared with—	
					Authorization, 1954	Estimates, 1955 House bill
Export-Import Bank of Washington.....	\$1,116,000	\$1,070,000	\$1,070,000	\$1,070,000	-\$46,000	
Reconstruction Finance Corporation.....	6,615,000	3,630,000	3,500,000	3,500,000	-3,115,000	-\$130,000
Total.....	7,731,000	4,700,000	4,570,000	4,570,000	-3,161,000	-130,000

○

Calendar No. 1288

83^D CONGRESS
2^D SESSION

H. R. 7893

[Report No. 1286]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 19 (legislative day, FEBRUARY 8), 1954

Read twice and referred to the Committee on Appropriations

MAY 10 (legislative day, APRIL 14), 1954

Reported by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1955,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,600,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$2,548,700: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$14,500,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$44,997,300, to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions
25 for the account of the Secretary of the Treasury: *Provided*

1 *further*, That the indefinite appropriation provided by section
2 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
3 760), shall not be available for obligation during the current
4 fiscal year.

5 OFFICE OF THE TREASURER

6 SALARIES AND EXPENSES

7 For necessary expenses of the Office of the Treasurer,
8 \$15,499,000: *Provided*, That Federal Reserve banks and
9 branches may be reimbursed for necessary expenses incident
10 to the verification and destruction of unfit United States
11 paper currency.

12 BUREAU OF CUSTOMS

13 SALARIES AND EXPENSES

14 For necessary expenses of the Bureau of Customs,
15 including expenses of attendance at meetings of organ-
16 izations concerned with the purposes of this appropriation;
17 purchase of fifty passenger motor vehicles for replacement
18 only; arms and ammunition; services as authorized by
19 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
20 and, awards of compensation to informers as authorized by
21 the Act of August 13, 1953 (22 U. S. C. 401);
22 \$39,996,300.

23 INTERNAL REVENUE SERVICE

24 SALARIES AND EXPENSES

25 For necessary expenses of the Internal Revenue Service,

1 including expenses, when specifically authorized by the
2 Commissioner, of attendance at meetings of organizations
3 concerned with internal-revenue matters; purchase (not
4 to exceed one hundred for replacement only) and hire of
5 passenger motor vehicles; services as authorized by section
6 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of
7 expert witnesses at such rates as may be determined by the
8 Commissioner; and ammunition; \$265,912,000: *Provided*,
9 That not to exceed \$400,000 of the amount appropriated
10 herein shall be available for expenses by contract for private
11 facilities and instruction for training of employees under such
12 regulations as may be prescribed by the Secretary of the
13 Treasury.

14 BUREAU OF NARCOTICS

15 SALARIES AND EXPENSES

16 For necessary expenses of the Bureau of Narcotics,
17 including services as authorized by section 15 of the Act of
18 August 2, 1946 (5 U. S. C. 55a); hire of passenger motor
19 vehicles; arms and ammunition; and not to exceed \$10,000
20 for services or information looking toward the apprehension
21 of narcotic law violators who are fugitives from justice:
22 \$2,770,000.

23 UNITED STATES SECRET SERVICE

24 SALARIES AND EXPENSES

25 For necessary expenses of the United States Secret

1 Service, including purchase (not to exceed ten for replace-
2 ment only) and hire of passenger motor vehicles; and arms
3 and ammunition; \$2,438,000.

4 SALARIES AND EXPENSES, WHITE HOUSE POLICE

5 For necessary expenses of the White House Police,
6 including uniforms and equipment, and arms and ammu-
7 nition, purchases to be made in such manner as the Presi-
8 dent may determine, \$712,000.

9 SALARIES AND EXPENSES, GUARD FORCE

10 For necessary expenses of the guard force for Treasury
11 Department buildings in the District of Columbia, including
12 purchase, repair, and cleaning of uniforms; and arms and
13 ammunition; \$268,000.

14 BUREAU OF THE MINT

15 SALARIES AND EXPENSES

16 For necessary expenses of the Bureau of the Mint,
17 including arms and ammunition; purchase and maintenance
18 of uniforms and accessories for guards; and not to exceed
19 \$1,000 for the expenses of the annual assay commission;
20 \$4,450,000.

21 COAST GUARD

22 OPERATING EXPENSES

23 For necessary expenses for the operation and main-
24 tenance of the Coast Guard, not otherwise provided for,
25 including services as authorized by section 15 of the Act

1 of August 2, 1946 (5 U. S. C. 55a) ; purchase of not to
2 exceed thirty-two passenger motor vehicles for replacement
3 only; maintenance, operation, and repair of aircraft; and
4 recreation and welfare; \$155,889,300: *Provided*, That the
5 number of aircraft on hand at any one time shall not exceed
6 one hundred and twenty-six exclusive of planes and parts
7 stored to meet future attrition: *Provided further*, That (a)
8 the unobligated balance of appropriation to the Coast Guard
9 for the fiscal year 1954 for "Operating expenses" shall be
10 transferred on July 1, 1954, to the account established
11 by the Surplus Fund-Certified Claims Act of 1949 for
12 payment of certified claims; (b) amounts equal to the
13 unliquidated obligations on July 1, 1954, against the ap-
14 propriation "Operating expenses", fiscal year 1954, and the
15 appropriation for "Operating expenses" for the fiscal year
16 1953 which was merged therewith pursuant to the Treasury
17 Department Appropriation Act, 1954, shall be transferred
18 to and merged with this appropriation, and such merged
19 appropriation shall be available as one fund, except for ac-
20 counting purposes of the Coast Guard, for the payment of
21 obligations properly incurred against such prior year appro-
22 priations and against this appropriation, but on July 1,
23 1955, there shall be transferred from such merged appro-
24 priation to the appropriation for payment of certified claims
25 (1) any remaining unexpended balance of the 1953 appro-

1 priation so transferred, and (2) any remaining unexpended
2 balance of the 1954 appropriation so transferred which is in
3 excess of the obligations then remaining unliquidated against
4 such appropriation: *Provided further*, That except as other-
5 wise authorized by the Act of September 30, 1950 (20
6 U. S. C. 236-244), this appropriation shall be available for
7 expenses of primary and secondary schooling for dependents
8 of Coast Guard personnel stationed outside the continental
9 United States in amounts not exceeding an average of \$250
10 per student, when it is determined by the Secretary that the
11 schools, if any, available in the locality are unable
12 to provide adequately for the education of such dependents,
13 and the Coast Guard may provide for the transportation of
14 said dependents between such schools and their places of
15 residence when the schools are not accessible to such de-
16 pendents by regular means of transportation.

17 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

18 For necessary expenses of acquisition, construction,
19 rebuilding, and improvement of aids to navigation, shore
20 facilities, vessels, and aircraft, including equipment related
21 thereto; and services as authorized by section 15 of the Act
22 of August 2, 1946 (5 U. S. C. 55a) ; \$3,000,000, to remain
23 available until expended: *Provided*, That the Secretary may
24 transfer into this appropriation not to exceed \$2,000,000
25 from other Coast Guard appropriations for the replacement

1 of one additional seaplane, such funds transferred to remain
2 available until expended.

3 RETIRED PAY

4 For retired pay, including the payment of obligations
5 therefor incurred during prior fiscal years, and payments
6 under the Uniformed Services Contingency Option Act of
7 1953, \$19,775,000.

8 RESERVE TRAINING

9 For all necessary expenses for the Coast Guard Reserve,
10 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
11 231-319), including expenses for regular personnel. or
12 reserve personnel while on active duty, engaged pri-
13 marily in administration of the reserve program; and
14 the maintenance, operation, and repair of aircraft; \$2,500,-
15 000: *Provided*, That (a) the unobligated balance of
16 appropriation to the Coast Guard for the fiscal year 1954 for
17 "Reserve training" shall be transferred on July 1, 1954, to
18 the account established by the Surplus Fund-Certified Claims
19 Act of 1949 for payment of certified claims; (b) amounts
20 equal to the unliquidated obligations on July 1, 1954, against
21 the appropriation "Reserve training", fiscal year 1954, and
22 the appropriation "Reserve training", fiscal year 1953 which
23 was merged therewith pursuant to the Treasury Department
24 Appropriation Act, 1953, shall be transferred to and merged
25 with this appropriation, and such merged appropriation shall

1 be available as one fund, except for accounting purposes of
2 the Coast Guard, for the payment of obligations properly
3 incurred against such prior year appropriations and against
4 this appropriation, but on July 1, 1955, there shall be
5 transferred from such merged appropriation to the appro-
6 priation for payment of certified claims (1) any remaining
7 unexpended balance of the 1953 appropriation so trans-
8 ferred and (2) any remaining unexpended balance of the
9 1954 appropriation so transferred which is in excess of
10 the obligations then remaining unliquidated against such
11 appropriation.

12 SEC. 102. This title may be cited as the "Treasury
13 Department Appropriation Act, 1955".

14 TITLE II—POST OFFICE DEPARTMENT

15 For administration and operation of the Post Office
16 Department and the postal service, there is hereby appro-
17 priated the aggregate amount of postal revenues for the fiscal
18 year ending June 30, 1955, as authorized by law (39
19 U. S. C. 786, 794a), together with an amount from any
20 money in the Treasury not otherwise appropriated, equal
21 to the difference between such revenues and the total of the
22 appropriations hereinafter specified and the sum needed may
23 be advanced to the Post Office Department upon requisition

1 of the Postmaster General, for the following purposes,
2 namely:

3 CURRENT AUTHORIZATIONS OUT OF POSTAL
4 SERVICE FUND
5 ADMINISTRATION

6 For expenses, not otherwise provided for, necessary for
7 administration of the postal service, operation of the inspec-
8 tion service, and the conduct of a research and development
9 program, including services as authorized by section 15 of
10 the Act of August 2, 1946 (5 U. S. C. 55a) ; management
11 studies; not to exceed \$25,000 for miscellaneous and emer-
12 gency expenses; rewards for information and services con-
13 cerning violations of postal laws and regulations, current and
14 prior fiscal years, in accordance with regulations of the Post-
15 master General in effect at the time the services are rendered
16 or information furnished; and expenses of delegates desig-
17 nated by the Postmaster General to attend meetings and
18 congresses for the purpose of making postal arrangements
19 with foreign governments pursuant to law, and not to exceed
20 \$6,000 of such expenses to be accounted for solely on the
21 certificate of the Postmaster General; and not to exceed
22 \$20,000 for rewards *for information*, as provided for herein,
23 shall be paid in the discretion of the Postmaster General and
24 accounted for solely on his certificate; and settlement of
25 claims, pursuant to law, current and prior fiscal years, for

1 damages (28 U. S. C. 2672; 31 U. S. C. 224c), and for
 2 losses resulting from unavoidable casualty (39 U. S. C. 49);
 3 ~~\$20,000,000~~ \$19,491,100.

4 OPERATIONS

5 For expenses necessary for the operation and adminis-
 6 tration of post offices, not otherwise provided for, and for
 7 other activities conducted by the Post Office Department
 8 pursuant to law, \$1,899,776,000: *Provided*, That not to
 9 exceed 5 per centum of any appropriation available to the
 10 Post Office Department for the current fiscal year may be
 11 transferred, with the approval of the Bureau of the Budget,
 12 to any other such appropriation or appropriations; but the
 13 appropriation "Administration" shall not be increased by
 14 more than \$2,000,000 as a result of such transfers: *Pro-*
 15 *vided further*, That functions financed by the appropriations
 16 *available to the Post Office Department* for the current fiscal
 17 year for "~~Administration~~" and for "~~Operations~~," and the
 18 amounts appropriated therefor, may be transferred, in addi-
 19 tion to the appropriation transfers otherwise authorized in
 20 this Act and with the approval of the Bureau of the Budget,
 21 between such appropriations to the extent necessary to im-
 22 prove administration and operations *but not to exceed a total*
 23 *transfer from one appropriation account to another of more*
 24 *than 5 per centum and not more than a total of \$138,000,000*
 25 *may be transferred during the current fiscal year.*

TRANSPORTATION

For expenses necessary for the administration and operation of the postal transportation service, including payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail; \$702,219,000: *Provided, That the Post Office Department shall report not less than once every three months to the Committees on Appropriation of the Senate and House of Representatives all substantial transportation changes, such report to include the total cost of the eliminated and replacement service for airline, truck, and railroad transportation.*

FINANCE

14 For expenses necessary for the administration of the
15 financial services of the Post Office Department, includ-
16 ing the procurement of stamps and accountable paper;
17 \$8,501,000.

FACILITIES

19 For expenses necessary for the administration and opera-
20 tion of postal facilities, buildings, vehicles, and field postal
21 communication service; procurement of postal supplies and
22 equipment; storage and repair of vehicles owned by, or under
23 control of, units of the National Guard and departments and
24 agencies of the Federal Government where repairs are made

1 necessary because of utilization of such vehicles in the postal
2 service; \$124,890,000.

3 GENERAL PROVISIONS—POST OFFICE DEPARTMENT

4 SEC. 201. Appropriations made in this title shall be
5 available for expenditures in connection with accident
6 prevention.

7 SEC. 202. Appropriations made in this title available
8 for expenses of travel shall be available, under regulations
9 prescribed by the Postmaster General, for expenses of at-
10 tendance at meetings of technical, scientific, professional,
11 or other similar organizations concerned with the function or
12 activity for which the appropriation concerned is made.

13 SEC. 203. During the current fiscal year, and under
14 such regulations as may be prescribed by the Postmaster
15 General, not to exceed an aggregate of \$100,000 shall be
16 available from any funds available to the Post Office De-
17 partment, as may be determined by him, for expenses neces-
18 sary to enable the Department to participate in Federal
19 or non-Federal training programs and for necessary ex-
20 penses of training officers and employees (both departmental
21 and field postal services) in such subjects or courses of
22 instruction in either Federal or non-Federal facilities as
23 will contribute to the improved performance of their official
24 duties. *Provided*, That not more than forty-five of such

1 officers and employees may participate in any training pro-
2 gram in a non-Federal facility which is of more than ninety
3 days duration.

4 SEC. 204. Hereafter, indemnities for the loss of or
5 damage to registered, insured and collect-on-delivery mail
6 and the expense of manufacturing embossed stamped en-
7 velopes (printed or unprinted) shall be paid from postal
8 revenues.

9 SEC. 205. Hereafter, money orders shall be paid from
10 the receipts representing the face value of money orders
11 heretofore or hereafter issued.

12 SEC. 206. Not exceeding ~~\$1,000,000~~ \$5,000,000 of ap-
13 propriations in this title shall be available for payment to the
14 General Services Administration of such additional sums as
15 may be necessary for the repair, alteration, preservation, ren-
16 ovation, improvement, and equipment of federally owned
17 property used for postal purposes *of which not to exceed*
18 *\$4,000,000 shall be available for improved lighting, color,*
19 *and ventilation for the specialized conditions in workroom*
20 *areas.*

21 SEC. 207. This title may be cited as the "Post Office
22 Department Appropriation Act, 1955".

23 TITLE III—GOVERNMENT CORPORATIONS

24 The following corporation is hereby authorized to make
25 such expenditures, within the limits of funds and borrowing

1 authority available to such corporation, and in accord with
2 law, and to make such contracts and commitments without
3 regard to fiscal year limitations as provided by section 104
4 of the Government Corporation Control Act, as amended,
5 as may be necessary in carrying out the programs set forth
6 in the budget for the fiscal year 1955 for such corporation,
7 except as hereinafter provided:

8 EXPORT-IMPORT BANK OF WASHINGTON

9 LIMITATION ON EXPENSES

10 Not to exceed \$1,070,000 (to be computed on an
11 accrual basis) of the funds of the Export-Import Bank
12 of Washington shall be available during the current
13 fiscal year for all administrative expenses of the bank, in-
14 cluding services as authorized by section 15 of the Act of
15 August 2, 1946 (5 U. S. C. 55a) : *Provided*, That necessary
16 expenses (including special services performed on a contract
17 or fee basis, but not including other personal services) in
18 connection with the acquisition, operation, maintenance, im-
19 provement, or disposition of any real or personal property
20 belonging to the bank or in which it has an interest including
21 expenses of collections of pledged collateral, or the investi-
22 gation or appraisal of any property in respect to which an
23 application for a loan has been made, shall be considered as
24 nonadministrative expenses for the purposes hereof.

1 RECONSTRUCTION FINANCE CORPORATION

2 The Treasury Department is hereby authorized to make
3 such expenditures, within the limits of funds and borrowing
4 authority available to it from Reconstruction Finance Cor-
5 poration activities, and in accord with law, and to make such
6 contracts and commitments without regard to fiscal year
7 limitations as provided by section 104 of the Government
8 Corporation Control Act, as amended, as may be necessary
9 in carrying out the programs set forth in the budget for the
10 fiscal year 1955 for each such activity, except as hereinafter
11 provided:

12 ADMINISTRATIVE EXPENSES OF LIQUIDATING THE
13 RECONSTRUCTION FINANCE CORPORATION

14 Not to exceed \$3,500,000 (to be computed on an
15 accrual basis) of the funds derived from Reconstruction
16 Finance Corporation activities (except those conducted under
17 Section 409 of the Federal Civil Defense Act of 1950),
18 shall be available during the current fiscal year for admin-
19 istrative expenses incident to the liquidation of said Cor-
20 poration, including use of the services and facilities of the
21 Federal Reserve banks: *Provided*, That as used herein the
22 term "administrative expenses" shall be construed to include
23 all salaries and wages, services performed on a contract or fee
24 basis, and travel and other expenses, including the purchase
25 of equipment and supplies, of administrative offices: *Pro-*

1 *vided further*, That the limiting amount heretofore stated for
2 administrative expenses shall be increased by an amount
3 which does not exceed the aggregate cost of salaries, wages,
4 travel, and other expenses of persons employed outside the
5 continental United States; the expenses of services performed
6 on a contract or fee basis in connection with the termination
7 of contracts or in the performance of legal services, and all
8 administrative expenses reimbursable from other Government
9 agencies: *Provided further*, That the distribution of admin-
10 istrative expenses to the accounts of the Corporation shall be
11 made in accordance with generally recognized accounting
12 principles and practices.

13 *Not to exceed \$50,000 of the funds available pursuant*
14 *to section 409 of the Federal Civil Defense Act of 1950*
15 *(50 U. S. C. App. 2261), shall be available during the*
16 *current fiscal year for administrative expenses necessary to*
17 *carry out the functions, powers, duties, and authority of the*
18 *Treasury Department under said section.*

19 SEC. 301. This title may be cited as the Export-Import
20 Bank of Washington, and Reconstruction Finance Corpora-
21 tion Appropriation Act, 1955.

22 TITLE IV—GENERAL PROVISIONS

23 SEC. 401. No part of any appropriation contained in
24 this Act shall be used to pay the salary or wages of any
25 person who engages in a strike against the Government of

1 the United States or who is a member of an organization
2 of Government employees that asserts the right to strike
3 against the Government of the United States, or who advo-
4 cates, or is a member of an organization that advocates, the
5 overthrow of the Government of the United States by force
6 or violence: *Provided*, That for the purposes hereof an affi-
7 davit shall be considered prima facie evidence that the per-
8 son making the affidavit has not contrary to the provisions
9 of this section engaged in a strike against the Government
10 of the United States, is not a member of an organization of
11 Government employees that asserts the right to strike
12 against the Government of the United States, or that such
13 person does not advocate, and is not a member of an organi-
14 zation that advocates, the overthrow of the Government of
15 the United States by force or violence: *Provided further*,
16 That any person who engages in a strike against the Gov-
17 ernment of the United States or who is a member of an
18 organization of Government employees that asserts the right
19 to strike against the Government of the United States, or
20 who advocates, or who is a member of an organization that
21 advocates, the overthrow of the Government of the United
22 States by force or violence and accepts employment the
23 salary or wages for which are paid from any appropriation
24 or fund contained in this Act shall be guilty of a felony and,
25 upon conviction, shall be fined not more than \$1,000 or

1 imprisoned for not more than one year, or both: *Provided*
 2 *further*, That the above penalty clause shall be in addition
 3 to, and not in substitution for, any other provisions of exist-
 4 ing law.

Passed the House of Representatives February 18, 1954.

Attest:

LYLE O. SNADER,

Clerk.

[Report No. 1286]

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

FEBRUARY 19 (legislative day, FEBRUARY 8), 1954

Read twice and referred to the Committee on
Appropriations

MAY 10 (legislative day, APRIL 14), 1954

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued
For actions of

May 14, 1954
May 13, 1954
83rd-2nd, No. 88

CONTENTS

Adjournment.....12	Grain.....7	REA.....19
Animal quarantine.....8	Housing.....16	St. Lawrence seaway.....18
Appropriations.....2	Lands, public.....4	Soil conservation.....23
Civil defense.....5	Legislative program.....12	Surplus commodities.....15
Education.....10,13,17	Loans, farm.....1	Taxation.....20
Electrification.....19	Marketing.....9	Tobacco.....9
Fisheries.....6	Personnel.....14,22	Transportation.....3,11
Prests.....21	Price supports.....24	Virgin Islands.....8

HIGHLIGHTS: Senate passed emergency farm loans bill. Senate passed Treasury-Post Office appropriation bill. Senate recommitted bill to expedite ICC rate decisions. Senate made surplus-fish bill its unfinished business. House subcommittee voted to report bill to increase excess-tobacco penalty.

SENATE

1. FARM LOANS. Passed with amendments S. 3245, to authorize the Secretary of Agriculture to use \$15,000,000 of the Disaster Loan Revolving Fund for emergency loans to farmers and stockmen until Dec. 31, 1954. Agreed to an amendment by Sen. Welker to revise Sec. 2 so as to make loans available to individuals or partnerships actively engaged in farm or ranch operations, limit individual loans to \$15,000, limit the total debt of a borrower under this act to \$20,000, authorize the Secretary to determine interest rates and other terms and conditions, and require that loans be secured by personal obligation and available security. (pp. 6185-6.)
2. TREASURY-POST OFFICE APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 7893. Senate conferees were appointed. (pp. 6163-70, 6174-85.)
3. TRANSPORTATION. Recommitted, 39 to 37, S. 1461, to expedite ICC action upon applications of certain common carriers for rate increases. (pp. 6152-63).
4. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H. R. 6186, granting preference rights to users of withdrawn public lands for grazing purposes when the lands are restored from the withdrawal (S. Rept. 1329), and with amendments H. R. 2512, to extend the privilege of buying certain public lands to business associations, corporations, States, or other governmental subdivisions for home and other sites (S. Rept. 1330)(p. 6148).
5. CIVIL DEFENSE. The Armed Services Committee reported without amendment H. R. 7308, to repeal Sec. 307 of the Federal Civil Defense Act of 1950, which provides for termination of title III (emergency authority) on June 30, 1954 (S. Rept. 1334)(p. 6148).

6. FISHERY PRODUCTS. S. 2802, to earmark Sec. 32 funds for education, publicity, and research in connection with fishery products, was made the unfinished business (p. 6187).
7. GRAIN. Sen. Carlson inserted various resolutions of the Kansas Grain and Feed Dealers Association (p. 6147).
8. VIRGIN ISLANDS. S. 3378, as reported Apr. 29, would revise the Organic Act of the Virgin Islands (S. Rept. 1271). Sec. 30 of the bill amends the Animal Quarantine Act so that cattle which have been infested with or exposed to ticks, but which are now free from them, may be admitted into the Virgin Islands, under such regulations as the Secretary of Agriculture may prescribe. Sec. 31 amends the statute pertaining to poultry quarantine so as to provide that the Secretary of Agriculture cannot issue regulations or take measures with respect to the introduction of live poultry into the Virgin Islands.

HOUSE

9. TOBACCO MARKETING. A subcommittee of the Agriculture Committee voted to report to the full Committee H. R. 8135, to increase the penalty on tobacco marketed in excess of marketing quotas to 50% (now 40%) of the previous year's average price (p. D525).
10. EDUCATION. Passed, 179 to 157, with amendments H. R. 7134, to establish a National Advisory Committee on Education (pp. 6190-201).
11. TRANSPORTATION. House conferees were appointed on H. R. 2236, to provide for a commission to regulate public transportation in the D. C. area (p. 6202). Senate conferees have not been appointed.
12. ADJOURNED until Mon., May 17 (p. 6210). Legislative program for next week, as announced by Majority Leader Halleck: Mon., Consent Calendar; Tues., Private Calendar; and balance of week, various bills (not agricultural)(p. 6201).

BILLS INTRODUCED

13. EDUCATION. S. 3450, by Sen. Clements (for Sen. Burke), to extend for 2 additional years the program of assistance for school construction in Federally affected areas; to Labor and Public Welfare Committee (p. 6148).
14. PERSONNEL. H. R. 9133, by Rep. Becker, "to amend the Classification Act"; to Post Office and Civil Service Committee (p. 6210). Remarks of author (p. A3559).
by Rep. Phillips,
15. SURPLUS COMMODITIES. H. R. 9141, to encourage the disposal of surpluses in foreign countries; to Agriculture Committee (p. 6211).

COMMITTEE HEARINGS RELEASED BY GPO

16. HOUSING. S. 2889, S. 2938, and S. 2949, proposed Housing Act of 1954 and amendment for smoke elimination and air pollution prevention. Part 2. S. Banking and Currency Committee.
17. EDUCATION. S. 2723, S. 2724, S. 2856, President's recommendations relating to education. S. Labor and Public Welfare Committee.

83^D CONGRESS
2^D SESSION

H. R. 7893

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1954

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—TREASURY DEPARTMENT

4 That the following sums are appropriated, out of any money
5 in the Treasury not otherwise appropriated, for the Treasury
6 Department for the fiscal year ending June 30, 1955,
7 namely:

1 OFFICE OF THE SECRETARY

2 SALARIES AND EXPENSES

3 For necessary expenses in the Office of the Secretary,
4 including the operation and maintenance of the Treasury
5 Building and Annex thereof; and the purchase of uniforms
6 for elevator operators; \$2,600,000.

7 BUREAU OF ACCOUNTS

8 SALARIES AND EXPENSES

9 For necessary expenses of the Bureau of Accounts,
10 \$2,548,700: *Provided*, That Federal Reserve banks and
11 branches may be reimbursed for necessary expenses incident
12 to the deposit of taxes in Government depositories.

13 SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

14 For necessary expenses of the Division of Disbursement,
15 \$14,500,000.

16 BUREAU OF THE PUBLIC DEBT

17 ADMINISTERING THE PUBLIC DEBT

18 For necessary expenses connected with any public-debt
19 or currency issues of the United States, \$44,997,300, to be
20 expended as the Secretary of the Treasury may direct, and
21 the Secretary is authorized to accept services without com-
22 pensation: *Provided*, That Federal Reserve banks and
23 branches may be reimbursed for expenditures as fiscal agents
24 of the United States on account of public-debt transactions

1 for the account of the Secretary of the Treasury: *Provided*
2 *further*, That the indefinite appropriation provided by section
3 10 of the Second Liberty Bond Act, as amended (31 U. S. C.
4 760), shall not be available for obligation during the current
5 fiscal year.

6 OFFICE OF THE TREASURER

7 SALARIES AND EXPENSES

8 For necessary expenses of the Office of the Treasurer,
9 \$15,499,000: *Provided*, That Federal Reserve banks and
10 branches may be reimbursed for necessary expenses incident
11 to the verification and destruction of unfit United States
12 paper currency.

13 BUREAU OF CUSTOMS

14 SALARIES AND EXPENSES

15 For necessary expenses of the Bureau of Customs,
16 including expenses of attendance at meetings of organ-
17 izations concerned with the purposes of this appropriation;
18 purchase of fifty passenger motor vehicles for replacement
19 only; arms and ammunition; services as authorized by
20 section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);
21 and, awards of compensation to informers as authorized by
22 the Act of August 13, 1953 (22 U. S. C. 401);
23 \$39,996,300.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$265,912,000: *Provided*, That not to exceed \$400,000 of the amount appropriated herein shall be available for expenses by contract for private facilities and instruction for training of employees under such regulations as may be prescribed by the Secretary of the Treasury.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension

1 of narcotic law violators who are fugitives from justice;
2 \$2,770,000.

3 UNITED STATES SECRET SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the United States Secret
6 Service, including purchase (not to exceed ten for replace-
7 ment only) and hire of passenger motor vehicles; and arms
8 and ammunition; \$2,438,000.

9 SALARIES AND EXPENSES, WHITE HOUSE POLICE

10 For necessary expenses of the White House Police,
11 including uniforms and equipment, and arms and ammu-
12 nition, purchases to be made in such manner as the Presi-
13 dent may determine, \$712,000.

14 SALARIES AND EXPENSES, GUARD FORCE

15 For necessary expenses of the guard force for Treasury
16 Department buildings in the District of Columbia, including
17 purchase, repair, and cleaning of uniforms; and arms and
18 ammunition; \$268,000.

19 BUREAU OF THE MINT

20 SALARIES AND EXPENSES

21 For necessary expenses of the Bureau of the Mint,
22 including arms and ammunition; purchase and maintenance
23 of uniforms and accessories for guards; and not to exceed

1 \$1,000 for the expenses of the annual assay commission;
2 \$4,450,000.

3 COAST GUARD

4 OPERATING EXPENSES

5 For necessary expenses for the operation and main-
6 tenance of the Coast Guard, not otherwise provided for,
7 including services as authorized by section 15 of the Act
8 of August 2, 1946 (5 U. S. C. 55a) ; purchase of not to
9 exceed thirty-two passenger motor vehicles for replacement
10 only; maintenance, operation, and repair of aircraft; and
11 recreation and welfare; \$155,889,300: *Provided*, That the
12 number of aircraft on hand at any one time shall not exceed
13 one hundred and twenty-six exclusive of planes and parts
14 stored to meet future attrition: *Provided further*, That (a)
15 the unobligated balance of appropriation to the Coast Guard
16 for the fiscal year 1954 for "Operating expenses" shall be
17 transferred on July 1, 1954, to the account established
18 by the Surplus Fund-Certified Claims Act of 1949 for
19 payment of certified claims; (b) amounts equal to the
20 unliquidated obligations on July 1, 1954, against the ap-
21 propriation "Operating expenses", fiscal year 1954, and the
22 appropriation for "Operating expenses" for the fiscal year
23 1953 which was merged therewith pursuant to the Treasury
24 Department Appropriation Act, 1954, shall be transferred

1 to and merged with this appropriation, and such merged
2 appropriation shall be available as one fund, except for ac-
3 counting purposes of the Coast Guard, for the payment of
4 obligations properly incurred against such prior year appro-
5 priations and against this appropriation, but on July 1,
6 1955, there shall be transferred from such merged appro-
7 priation to the appropriation for payment of certified claims
8 (1) any remaining unexpended balance of the 1953 appro-
9 priation so transferred, and (2) any remaining unexpended
10 balance of the 1954 appropriation so transferred which is in
11 excess of the obligations then remaining unliquidated against
12 such appropriation: *Provided further*, That except as other-
13 wise authorized by the Act of September 30, 1950 (20
14 U. S. C. 236-244), this appropriation shall be available for
15 expenses of primary and secondary schooling for dependents
16 of Coast Guard personnel stationed outside the continental
17 United States in amounts not exceeding an average of \$250
18 per student, when it is determined by the Secretary that the
19 schools, if any, available in the locality are unable
20 to provide adequately for the education of such dependents,
21 and the Coast Guard may provide for the transportation of
22 said dependents between such schools and their places of
23 residence when the schools are not accessible to such de-
24 pendents by regular means of transportation.

1 ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

2 For necessary expenses of acquisition, construction,
3 rebuilding, and improvement of aids to navigation, shore
4 facilities, vessels, and aircraft, including equipment related
5 thereto; and services as authorized by section 15 of the Act
6 of August 2, 1946 (5 U. S. C. 55a) ; \$3,000,000, to remain
7 available until expended: *Provided*, That the Secretary may
8 transfer into this appropriation not to exceed \$2,000,000
9 from other Coast Guard appropriations for the replacement
10 of one additional seaplane, such funds transferred to remain
11 available until expended.

12 RETIREd PAY

13 For retired pay, including the payment of obligations
14 therefor incurred during prior fiscal years, and payments
15 under the Uniformed Services Contingency Option Act of
16 1953, \$19,775,000.

17 RESERVE TRAINING

18 For all necessary expenses for the Coast Guard Reserve,
19 as authorized by law (14 U. S. C. 751-762; 37 U. S. C.
20 231-319), including expenses for regular personnel. or
21 reserve personnel while on active duty, engaged pri-
22 marily in administration of the reserve program; and
23 the maintenance, operation, and repair of aircraft; \$2,500,-
24 000: *Provided*, That (a) the unobligated balance of

1 appropriation to the Coast Guard for the fiscal year 1954 for
2 "Reserve training" shall be transferred on July 1, 1954, to
3 the account established by the Surplus Fund-Certified Claims
4 Act of 1949 for payment of certified claims; (b) amounts
5 equal to the unliquidated obligations on July 1, 1954, against
6 the appropriation "Reserve training", fiscal year 1954, and
7 the appropriation "Reserve training", fiscal year 1953 which
8 was merged therewith pursuant to the Treasury Department
9 Appropriation Act, 1953, shall be transferred to and merged
10 with this appropriation, and such merged appropriation shall
11 be available as one fund, except for accounting purposes of
12 the Coast Guard, for the payment of obligations properly
13 incurred against such prior year appropriations and against
14 this appropriation, but on July 1, 1955, there shall be
15 transferred from such merged appropriation to the appro-
16 priation for payment of certified claims (1) any remaining
17 unexpended balance of the 1953 appropriation so trans-
18 ferred and (2) any remaining unexpended balance of the
19 1954 appropriation so transferred which is in excess of
20 the obligations then remaining unliquidated against such
21 appropriation.

22 SEC. 102. This title may be cited as the "Treasury
23 Department Appropriation Act, 1955".

1 **TITLE II—POST OFFICE DEPARTMENT**

2 For administration and operation of the Post Office
3 Department and the postal service, there is hereby appro-
4 priated the aggregate amount of postal revenues for the fiscal
5 year ending June 30, 1955, as authorized by law (39
6 U. S. C. 786, 794a), together with an amount from any
7 money in the Treasury not otherwise appropriated, equal
8 to the difference between such revenues and the total of the
9 appropriations hereinafter specified and the sum needed may
10 be advanced to the Post Office Department upon requisition
11 of the Postmaster General, for the following purposes,
12 namely:

13 **CURRENT AUTHORIZATIONS OUT OF POSTAL**
14 **SERVICE FUND**

15 **ADMINISTRATION**

16 For expenses, not otherwise provided for, necessary for
17 administration of the postal service, operation of the inspec-
18 tion service, and the conduct of a research and development
19 program, including services as authorized by section 15 of
20 the Act of August 2, 1946 (5 U. S. C. 55a) ; management
21 studies; not to exceed \$25,000 for miscellaneous and emer-
22 gency expenses; rewards for information and services con-
23 cerning violations of postal laws and regulations, current and
24 prior fiscal years, in accordance with regulations of the Post-
25 master General in effect at the time the services are rendered

1 or information furnished; and expenses of delegates desig-
 2 nated by the Postmaster General to attend meetings and
 3 congresses for the purpose of making postal arrangements
 4 with foreign governments pursuant to law, and not to exceed
 5 \$6,000 of such expenses to be accounted for solely on the
 6 certificate of the Postmaster General; and not to exceed
 7 \$20,000 for rewards **(1)***for information*, as provided for
 8 herein, shall be paid in the discretion of the Postmaster Gen-
 9 eral and accounted for solely on his certificate; and settlement
 10 of claims, pursuant to law, current and prior fiscal years, for
 11 damages, and for losses resulting from unavoidable casualty
 12 (39 U. S. C. 49) ; **(2)**~~\$20,000,000~~ \$19,491,100.

13 OPERATIONS

14 For expenses necessary for the operation and adminis-
 15 tration of post offices, not otherwise provided for, and for
 16 other activities conducted by the Post Office Department
 17 pursuant to law, \$1,899,776,000: *Provided*, That not to
 18 exceed 5 per centum of any appropriation available to the
 19 Post Office Department for the current fiscal year may be
 20 transferred, with the approval of the Bureau of the Budget,
 21 to any other such appropriation or appropriations; but the
 22 appropriation "Administration" shall not be increased by
 23 more than \$2,000,000 as a result of such transfers: *Pro-*
 24 *vided further*, That functions financed by the appropriations
 25 **(3)***available to the Post Office Department for the current*

1 fiscal year (4)for “Administration” and for “Operations,” and
2 the amounts appropriated therefor, may be transferred, in
3 addition to the appropriation transfers otherwise authorized in
4 this Act and with the approval of the Bureau of the Budget,
5 between such appropriations to the extent necessary to im-
6 prove administration and operations.

7 TRANSPORTATION

8 For expenses necessary for the administration and opera-
9 tion of the postal transportation service, including payments
10 for transportation of domestic and foreign mails by air, land,
11 and water transportation facilities, including current and prior
12 fiscal years settlements with foreign countries for handling
13 of mail; \$702,219,000 (5): *Provided, That the Post Office*
14 *Department shall report not less than once every three months*
15 *to the Committees on Appropriations of the Senate and House*
16 *of Representatives all substantial transportation changes, such*
17 *report to include the total cost of the eliminated and replace-*
18 *ment service for airline, truck, and railroad transportation.*

19 FINANCE

20 For expenses necessary for the administration of the
21 financial services of the Post Office Department, includ-
22 ing the procurement of stamps and accountable paper;
23 \$8,501,000.

FACILITIES

For expenses necessary for the administration and operation of postal facilities, buildings, vehicles, and field postal communication service; procurement of postal supplies and equipment; storage and repair of vehicles owned by, or under control of, units of the National Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service; \$124,890,000.

GENERAL PROVISIONS—POST OFFICE DEPARTMENT

SEC. 201. Appropriations made in this title shall be available for expenditures in connection with accident prevention.

SEC. 202. Appropriations made in this title available for expenses of travel shall be available, under regulations prescribed by the Postmaster General, for expenses of attendance at meetings of technical, scientific, professional, or other similar organizations concerned with the function or activity for which the appropriation concerned is made.

SEC. 203. During the current fiscal year, and under such regulations as may be prescribed by the Postmaster General, not to exceed an aggregate of \$100,000 shall be available from any funds available to the Post Office De-

1 department, as may be determined by him, for expenses neces-
2 sary to enable the Department to participate in Federal
3 or non-Federal training programs and for necessary ex-
4 penses of training officers and employees (both departmental
5 and field postal services) in such subjects or courses of
6 instruction in either Federal or non-Federal facilities as
7 will contribute to the improved performance of their official
8 duties: *Provided*, That not more than forty-five of such
9 officers and employees may participate in any training pro-
10 gram in a non-Federal facility which is of more than ninety
11 days duration.

12 SEC. 204. Hereafter, indemnities for the loss of or
13 damage to registered, insured and collect-on-delivery mail
14 and the expense of manufacturing embossed stamped en-
15 velopes (printed or unprinted) shall be paid from postal
16 revenues.

17 SEC. 205. Hereafter, money orders shall be paid from
18 the receipts representing the face value of money orders
19 heretofore or hereafter issued.

20 SEC. 206. Not exceeding ~~(6)\$1,000,000~~ \$5,000,000 of
21 appropriations in this title shall be available for payment to
22 the General Services Administration of such additional sums
23 as may be necessary for the repair, alteration, preservation,
24 renovation, improvement, and equipment of federally owned
25 property used for postal purposes ~~(7)~~ of which not to exceed

1 *\$4,000,000 shall be available for improved lighting, color,*
2 *and ventilation for the specialized conditions in workroom*
3 *areas.*

4 SEC. 207. This title may be cited as the "Post Office
5 Department Appropriation Act, 1955".

6 TITLE III—GOVERNMENT CORPORATIONS

7 The following corporation is hereby authorized to make
8 such expenditures, within the limits of funds and borrowing
9 authority available to such corporation, and in accord with
10 law, and to make such contracts and commitments without
11 regard to fiscal year limitations as provided by section 104
12 of the Government Corporation Control Act, as amended,
13 as may be necessary in carrying out the programs set forth
14 in the budget for the fiscal year 1955 for such corporation,
15 except as hereinafter provided:

16 EXPORT-IMPORT BANK OF WASHINGTON

17 LIMITATION ON EXPENSES

18 Not to exceed \$1,070,000 (to be computed on an
19 accrual basis) of the funds of the Export-Import Bank
20 of Washington shall be available during the current
21 fiscal year for all administrative expenses of the bank, in-
22 cluding services as authorized by section 15 of the Act of
23 August 2, 1946 (5 U. S. C. 55a) : *Provided*, That necessary
24 expenses (including special services performed on a contract
25 or fee basis, but not including other personal services) in

1 connection with the acquisition, operation, maintenance, im-
2 provement, or disposition of any real or personal property
3 belonging to the bank or in which it has an interest including
4 expenses of collections of pledged collateral, or the investi-
5 gation or appraisal of any property in respect to which an
6 application for a loan has been made, shall be considered as
7 nonadministrative expenses for the purposes hereof.

8 RECONSTRUCTION FINANCE CORPORATION

9 The Treasury Department is hereby authorized to make
10 such expenditures, within the limits of funds and borrowing
11 authority available to it from Reconstruction Finance Cor-
12 poration activities, and in accord with law, and to make such
13 contracts and commitments without regard to fiscal year
14 limitations as provided by section 104 of the Government
15 Corporation Control Act, as amended, as may be necessary
16 in carrying out the programs set forth in the budget for the
17 fiscal year 1955 for each such activity, except as hereinafter
18 provided:

19 ADMINISTRATIVE EXPENSES OF LIQUIDATING THE
20 RECONSTRUCTION FINANCE CORPORATION

21 Not to exceed \$3,500,000 (to be computed on an
22 accrual basis) of the funds derived from Reconstruction
23 Finance Corporation activities (except those conducted under
24 Section 409 of the Federal Civil Defense Act of 1950),
25 shall be available during the current fiscal year for admin-

1 istrative expenses incident to the liquidation of said Cor-
2 poration, including use of the services and facilities of the
3 Federal Reserve banks: *Provided*, That as used herein the
4 term "administrative expenses" shall be construed to include
5 all salaries and wages, services performed on a contract or fee
6 basis, and travel and other expenses, including the purchase
7 of equipment and supplies, of administrative offices: *Pro-*
8 *vided further*, That the limiting amount heretofore stated for
9 administrative expenses shall be increased by an amount
10 which does not exceed the aggregate cost of salaries, wages,
11 travel, and other expenses of persons employed outside the
12 continental United States; the expenses of services performed
13 on a contract or fee basis in connection with the termination
14 of contracts or in the performance of legal services, and all
15 administrative expenses reimbursable from other Government
16 agencies: *Provided further*, That the distribution of admin-
17 istrative expenses to the accounts of the Corporation shall be
18 made in accordance with generally recognized accounting
19 principles and practices.

20 (8) *Not to exceed \$50,000 of the funds available pursuant*
21 *to section 409 of the Federal Civil Defense Act of 1950*
22 *(50 U. S. C. App. 2261), shall be available during the*
23 *current fiscal year for administrative expenses necessary to*
24 *carry out the functions, powers, duties, and authority of the*
25 *Treasury Department under said section.*

1 SEC. 301. This title may be cited as the Export-Import
2 Bank of Washington, and Reconstruction Finance Corpora-
3 tion Appropriation Act, 1955.

4 TITLE IV—GENERAL PROVISIONS

5 SEC. 401. No part of any appropriation contained in
6 this Act shall be used to pay the salary or wages of any
7 person who engages in a strike against the Government of
8 the United States or who is a member of an organization
9 of Government employees that asserts the right to strike
10 against the Government of the United States, or who advo-
11 cates, or is a member of an organization that advocates, the
12 overthrow of the Government of the United States by force
13 or violence: *Provided*, That for the purposes hereof an affi-
14 davit shall be considered prima facie evidence that the per-
15 son making the affidavit has not contrary to the provisions
16 of this section engaged in a strike against the Government
17 of the United States, is not a member of an organization of
18 Government employees that asserts the right to strike
19 against the Government of the United States, or that such
20 person does not advocate, and is not a member of an organi-
21 zation that advocates, the overthrow of the Government of
22 the United States by force or violence: *Provided further*,
23 That any person who engages in a strike against the Gov-
24 ernment of the United States or who is a member of an
25 organization of Government employees that asserts the right

Attest: LYLE O. SNADER,
Clerk.

Attest: J. MARK TRICE,
Secretary.

AN ACT

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 13, 1954

Ordered to be printed with the amendments of the
Senate numbered

Gore	Langer	Potter
Green	Lehman	Purtell
Hayden	Lennon	Robertson
Hendrickson	Long	Russell
Hennings	Magnuson	Saltonstall
Hill	Malone	Schoeppel
Holland	Mansfield	Smathers
Humphrey	Martin	Smith, Maine
Hunt	Maybank	Smith, N. J.
Ives	McCarthy	Stennis
Jackson	McClellan	Symington
Jenner	Millikin	Thye
Johnson, Colo.	Monroney	Upton
Johnson, Tex.	Morse	Watkins
Johnston, S. C.	Mundt	Welker
Kennedy	Murray	Young
Knowland	Pastore	
Kuchel	Payne	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the motion of the Senator from Oklahoma [Mr. MONRONEY], for himself and the Senator from Florida [Mr. SMATHERS], to recommit the bill to the Committee on Interstate and Foreign Commerce. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG (when his name was called). On this vote I have a pair with the Senator from Indiana [Mr. CAPEHART]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Nevada [Mr. McCARRAN]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUNT. On this vote I have a pair with the senior Senator from Oklahoma [Mr. KERR]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mrs. BOWRING], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from Wisconsin [Mr. WILEY] are absent on official business. If present and voting, the senior Senator from Nebraska [Mr. BUTLER] and the junior Senator from Nebraska [Mrs. BOWRING] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Ohio [Mr. BURKE], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senators from West Virginia [Mr. KILGORE and Mr. NEELY] are absent on official business.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate.

The Senator from Alabama [Mr. SPARKMAN] is necessarily absent.

The result was announced—yeas 39, nays 37, as follows:

Alken	Hayden	Maybank
Byrd	Hennings	McClellan
Chavez	Hill	Monroney
Clements	Holland	Morse
Daniel	Humphrey	Mundt
Douglas	Jackson	Murray
Dworshak	Johnson, Tex.	Pastore
Ellender	Johnston, S. C.	Robertson
Fulbright	Kennedy	Russell
George	Langer	Smathers
Gillette	Lehman	Stennis
Gore	Lennon	Symington
Green	Magnuson	Young

YEAS—39

Barrett	Flanders	Payne
Beall	Frear	Potter
Bennett	Goldwater	Purtell
Bricker	Hendrickson	Saltonstall
Bridges	Ives	Schoeppel
Bush	Jenner	Smith, Maine
Butler, Md.	Johnson, Colo.	Smith, N. J.
Case	Knowland	Thye
Cooper	Kuchel	Upton
Cordon	Malone	Watkins
Dirksen	Martin	Welker
Duff	McCarthy	
Ferguson	Millikin	

NAYS—37

NOT VOTING—19

Anderson	Hickenlooper	McCarran
Bowring	Hunt	Neely
Burke	Kefauver	Sparkman
Butler, Nebr.	Kerr	Wiley
Capehart	Kilgore	Williams
Carlson	Long	
Eastland	Mansfield	

So the motion to recommit was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2236) for the establishment of a Commission on Area Problems of the Greater Washington Metropolitan Area, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KEARNS, Mr. BROYHILL, and Mr. DAVIS of Georgia were appointed managers on the part of the House at the conference.

TREASURY AND POST OFFICE

APPROPRIATIONS, 1955

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 1288, H. R. 7893, the Treasury and Post Office appropriations bill.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. On what day and at what hour was the appropriation bill reported to the Senate?

The PRESIDING OFFICER. The Senator from Illinois is advised that the bill was reported on Monday, the 10th of May.

Mr. DOUGLAS. May I ask at what hour it was reported?

The PRESIDING OFFICER. The hour of reporting is not recorded. Therefore, the Chair does not have that information.

Mr. DOUGLAS. Mr. President, that is an essential point, because, as I understand, the Reorganization Act provides that an appropriation bill must lie on the table for 3 days before it is considered by the Senate. Therefore, I wish to know whether more than 72 hours have elapsed since the bill was reported.

The PRESIDING OFFICER. The Senator is advised that the bill in question has been before the Senate for 3 days, according to the rules of the Senate.

Mr. DOUGLAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. According to previous rulings of the Chair it is my understanding that the requirement has been that 3 calendar days, or 72 elapsed hours, must have elapsed before an appropriation bill can be considered by the Senate. At times in the past bills have been reported 1 minute before midnight, and it has been claimed that the requirement has been met. As I understand, in the past—and I believe this issue has arisen on 2 occasion—the Chair has ruled that 72 hours must elapse, and that the requirement is not met by filing a bill 1 or 2 minutes before midnight.

That is the reason for my inquiry as to the hour at which this bill was filed. The eminent chairman of the Appropriations Committee, the distinguished President pro tempore of the Senate, is on the floor ready to take up the measure, and I should appreciate it if he would advise the Senate the hour on May 10 at which the bill was reported to the Senate.

The PRESIDING OFFICER. There has been no previous ruling on the question of hours an appropriation bill must be before the Senate before it is in order to proceed to its consideration. Section 139 (a) of the Legislative Reorganization Act of 1946, provides:

No general appropriation bill shall be considered in either House unless, prior to the consideration of such bill, printed committee hearings and reports on such bill have been available for at least 3 calendar days for the members of the House in which such bill is to be considered.

The Chair rules that it is not in order to calculate such time on the basis of hours, but that the time is figured on the basis of 3 calendar days, as set forth in the rule, and 3 calendar days have elapsed.

Mr. DOUGLAS. I asked that the Chair request the chairman of the Appropriations Committee to state the hour at which this bill was submitted.

The PRESIDING OFFICER. The Chair advises the Senator from Illinois that that request is not in order.

Mr. KNOWLAND. Mr. President, I invite attention to the fact that on page 11 of the Senate Calendar it is shown that this appropriation bill was reported to the Senate on May 10, 1954. I also

wish to invite the attention of the Senate to the fact that for the past week I have given notice that when the bill and the report on it had been available for 3 days it would be called up. So there has been no misunderstanding, I think, on the part of the Senate that it would be called up today. A number of Senators have expressed the hope that we would take it up for consideration today instead of tomorrow.

Mr. MAYBANK. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. Mr. President, we spent last Saturday, until late in the afternoon, working on the bill. So far as I can recall, it was unanimously reported.

Mr. DOUGLAS. Mr. President, the La Follette-Monroney Reorganization Act of 1946 made a change in the rules of the Senate by requiring that appropriation bills should be submitted 3 days before they could be taken up for action, in order that the Members of the Senate should have time to acquaint themselves with the details of the bill. At various times attempts have been made to violate that rule, and upon occasion I have seen bills submitted the night before and an attempt made to call them up the next day. In each instance the senior Senator from Illinois has protested, although, upon occasion, he has withdrawn his protest if the pressure of parliamentary business seemed acute. But one of the methods by which the rule has been violated has been to submit bills just before midnight one night and then count that minute or two as a parliamentary day, which means that, in effect, the Senate, instead of having 3 days, is permitted only 2 days within which to study a bill.

I ask a very simple question which the distinguished Senator from New Hampshire, the eminent President pro tempore of the Senate, the Chairman, Lord High Executioner, and Poo Bah of the Appropriations Committee can answer very simply. At what hour on May 10 was the bill submitted to the Senate?

Mr. BRIDGES. Mr. President, the Chair has ruled that this is not a point of order. Therefore, on my own responsibility, I shall answer the Senator from Illinois by saying that the committee worked all day Saturday to get action on the bill. It was ready to report on Saturday. There was no session of the Senate on Saturday. So, according to the memory of Mr. Joyce, the clerk to the subcommittee, and according to my own memory, I reported the bill somewhere between 12:30 and 1 o'clock on Monday, which means that more than 3 days have elapsed, the La Follette-Monroney Act has been lived up to, the grass is green, and we should move ahead.

Mr. KNOWLAND. Mr. President, I understand that action has not yet been taken on the motion to consider Calendar 1288, H. R. 7893, the Treasury and Post Office appropriation bill.

The PRESIDING OFFICER. The motion has not yet been agreed to. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. BRIDGES. Mr. President, I ask that the clerk state the first amendment.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Title II—Post Office Department—Current Authorizations out of Postal Service Fund—Administration," on page 10, line 22, after the word "rewards", insert "for information"; on page 11, line 1, after the word "damages", insert "(28 U. S. C. 2672; 31 U. S. C. 224c)", and at the beginning of line 3, strike out "\$20,000,000" and insert "\$19,491,100."

The amendment was agreed to.

The next amendment was, under the subhead "Operations," on page 11, at the beginning of line 16, insert "available to the Post Office Department"; in line 17, after the word "year", strike out "for 'Administration'" and for "Operations."

The amendment was agreed to.

The next amendment was, in line 22, after the word "operations", insert "but not to exceed a total transfer from one appropriation account to another of more than 5 per centum and not more than a total of \$138,000,000 may be transferred during the current fiscal year."

Mr. BRIDGES. With reference to this particular amendment, after it was included by the committee, it was found to be unnecessary at this time. I ask unanimous consent to have authority to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the request is granted, and the amendment is withdrawn.

The clerk will state the next committee amendment.

The next amendment was, under the subhead "Transportation," on page 12, line 7, after the figures "\$702,219,000", insert a colon and the following proviso:

Provided, That the Post Office Department shall report not less than once every 3 months to the Committees on Appropriations of the Senate and House of Representatives all substantial transportation changes, such report to include the total cost of the eliminated and replacement service for airline, truck, and railroad transportation.

The amendment was agreed to.

The next amendment was, under the subhead "General Provisions—Post Office Department," on page 14, line 12, after the word "exceeding", strike out "\$1,000,000" and insert "\$5,000,000", and in line 17, after the word "purposes", insert "of which not to exceed \$4,000,000 shall be available for improved lighting, color, and ventilation for the specialized conditions in workroom areas."

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. We are proceeding so rapidly, it is very difficult for Senators on this side of the Chamber to follow the action being taken. Will the Chair be kind enough to inform the Senate as to what amendment is now under consideration?

The PRESIDING OFFICER. The Senator's attention is invited to page 14, line 17. If the Senator desires, the Chair will ask the clerk to slow down his pace.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. I have an amendment on page 11. I believe we have passed that page. My amendment comes in on page 11, line 3.

The PRESIDING OFFICER. The Senator is advised that only the committee amendments are being stated at this time.

Mr. JOHNSTON of South Carolina. I so understand.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

Mr. JOHNSTON of South Carolina. The committee has amended the bill in this particular section with regard to the inspection service. I want to make a further cut to the same number authorized for 1954.

The PRESIDING OFFICER. Will the Senator from South Carolina send his amendment to the desk?

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DOUGLAS. Now that the Senate has agreed to certain committee amendments in its great rush, is the bill still open to further amendment, or have the committee amendments been agreed to irrevocably?

The PRESIDING OFFICER. The amendments that have already been stated have been agreed to.

Mr. DOUGLAS. This is an example of excessive haste. Along with the distinguished junior Senator from South Carolina, I have prepared a very important amendment denying an increase in the number of postal inspectors.

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Carolina will state it.

Mr. MAYBANK. After the committee amendments have been either agreed to or rejected any amendment offered by any Senator will be in order. Is not that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MAYBANK. I thank the Chair.

The PRESIDING OFFICER. The distinguished junior Senator from South Carolina may move to reconsider the action taken on any amendment.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I quite agree with the Senator. If an individual amend-

ment is pending, I ask unanimous consent that the particular committee amendment be reconsidered, so that the amendment offered by the distinguished junior Senator from South Carolina may be considered on its merits.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. BRIDGES. I have no objection. I wish to be entirely fair. I had assumed that every Senator had had an opportunity to be heard. But if that is not the case, and any Senator desires to offer an amendment, I have no objection. In fairness to all Senators, the committee amendments may be reconsidered by unanimous consent.

The PRESIDING OFFICER. Without objection, the amendment on page 11, line 3, is reconsidered. The clerk will state the amendment offered by the Senator from South Carolina for himself and on behalf of the Senator from Illinois [Mr. DOUGLAS].

The LEGISLATIVE CLERK. In the committee amendment, on page 11, line 3, in lieu of "\$19,491,100," it is proposed to insert "\$18,500,000: *Provided*, That funds made available for the administration of the Inspection Service shall not be used to pay the compensation of more than 900 inspectors."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and on behalf of the Senator from Illinois [Mr. DOUGLAS] to the committee amendment.

Mr. JOHNSTON of South Carolina. I wish to call the attention of the Senate to the fact that last year the number of postal inspectors was increased by 43. Since that was the first year of the present administration, probably that additional number of inspectors was needed. There is no criticism of that increase. But this year a request was made for an additional 158 inspectors. The Senate committee itself reduced that request by 50.

I call the attention of the Senate to the fact that the bill as passed by the House provides for 1,050 inspectors. When the bill goes to conference it will be up to the committee of conference to provide for the number of inspectors they consider to be necessary after they have studied the situation.

I worked last Saturday with the chairman of the committee in our efforts to report the bill, but I think this item should be given a little more study, to see whether any more inspectors are needed this year than were needed during the past year. I do not think an additional number is necessary.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. FULBRIGHT. Is it not true that the present administration is proceeding to close hundreds of fourth-class post offices?

Mr. JOHNSTON of South Carolina. That is true at the present time.

Mr. FULBRIGHT. I have had letters from several dozen postmistresses and

postmasters in my State whose offices the administration is proposing to close. A number of fourth-class offices already have been closed, and the administration is proceeding to close more. This would seem to me to decrease greatly the need for additional postal inspectors.

Are there not about 30,000 fourth-class post offices in the United States?

Mr. JOHNSTON of South Carolina. There are hardly that many fourth-class offices. I believe there are only about 19,000 fourth-class offices.

Mr. FULBRIGHT. Nevertheless the administration has begun to close many of them.

Mr. JOHNSTON of South Carolina. Let us be clear about the situation. Not all the fourth-class offices have been eliminated, but a great many of them have been closed.

Mr. FULBRIGHT. A great many have been eliminated, and the administration is proceeding to close many more. Would not that lead to a decreased necessity for additional postal inspectors?

Mr. JOHNSTON of South Carolina. I think so. For that reason, I am asking the chairman of the committee to take my amendment to conference, where the entire situation can be studied.

Mr. FULBRIGHT. I think the amendment of the Senator from South Carolina is entirely in order. It seems to me that if postoffices are being closed, then, in common sense, it would seem that not so many postal inspectors are needed.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DOUGLAS. I desire to commend the Senator from South Carolina for his work on this matter, and I am very happy to join him in its sponsorship. I had originally intended to offer an amendment making a deeper reduction, but I am pleased to join forces. I point out that the amendment of the Senator from South Carolina would still provide for the Post Office Department \$2,005,300 more than the Department had for the fiscal year 1953.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. It would give them an increase of over 10 percent.

Mr. JOHNSTON of South Carolina. Congress provided last year for 43 additional inspectors.

Mr. DOUGLAS. In other words, the present administration, which is dedicated to economy and efficiency has increased the overhead of the Post Office Department at a very great rate.

Mr. JOHNSTON of South Carolina. It has certainly increased it by 43 inspectors, and has requested many other increases in administrative expense.

Mr. DOUGLAS. Is it not true that one of the justifications which is advanced for having the additional inspectors is that they can make management surveys?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. Is it not true that the Department spent \$700,000 last year

in payment to outside firms for management surveys?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. In addition to the \$700,000 for outside management surveys there is a proposal for 150 additional inspectors.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DOUGLAS. Without injecting a partisan note, is it not true that a large part of the function of the inspectors is to try, if possible, "to get the goods on," and to expel, even if they do not get the goods on them, Democratic postmasters who have done their jobs well, but whose jobs are desired by deserving Republicans and Republican county chairmen?

Mr. JOHNSTON of South Carolina. If the Senator from Illinois would read some of the speeches I made in the presence of the Postmaster General, he would understand my position on that question. But it was not my intention to go into that now. I do not think there is a need for the additional inspectors at this particular time.

Mr. BRIDGES. I shall presently go into the merits of the request, but I wish to ask of the distinguished Senator from Illinois how many Republican post-office inspectors were appointed during the 20 years or so of Democratic administrations? Does the Senator know?

Mr. DOUGLAS. It seems to be a characteristic that employees in the postal service, when they reach the grade of inspector and begin to frequent country clubs and to be entertained, become Republicans, whether or not they started as Republicans. In the language of Shakespeare, they undergo a deep "sea change into something rich and strange."

Mr. JOHNSTON of South Carolina. Mr. President, I should like to read from page 4 of the report of the committee, under the heading "Employment of Outside Management Firms." This is the language of the committee:

The committee is disturbed over the continued and increasing amount of money used by the Post Office Department to defray the cost of consultants and private firms engaged in management surveys and improvements. Figures supplied by the Department indicate that the total of such contracts, as of January 26, 1954, is somewhat in excess of \$700,000. It should be pointed out that in addition to trained management people in the inspection service the General Accounting Office and the Civil Service Commission are well equipped to assist the Department in financial and personnel improvements without the necessity of engaging outside firms or consultants.

That statement is true. Many such persons have been employed. The Post Office Department now comes along and requests appropriations for 158 more. I cannot conceive that they are needed at this particular time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON] on behalf of himself and the Senator from Illinois [Mr. DOUGLAS] to the amendment of the committee.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

Mr. BRIDGES. Mr. President, the Senator from New Hampshire wants to answer questions raised in the debate, but he will wait until after the quorum call.

Mr. DOUGLAS. If the Senator from New Hampshire prefers that I withhold my request for a quorum call until after he makes his explanation, I shall do so, but I think the question is so important that it should not be decided when merely a few Senators are present.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Duff	Monroney
Barrett	Ferguson	Morse
Bricker	Fullbright	Murray
Bridges	Goldwater	Payne
Bush	Hayden	Robertson
Butler, Md.	Hill	Saltonstall
Byrd	Johnston, S. C.	Smathers
Chavez	Knowland	Stennis
Cordon	Kuchel	Welker
Daniel	Maybank	Wiley

The PRESIDING OFFICER (Mr. BARRETT in the chair). A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. BEALL, Mr. BENNETT, Mrs. BOWRING, Mr. CASE, Mr. CLEMENTS, Mr. COOPER, Mr. DIRKSEN, Mr. DOUGLAS, Mr. DWORSHAK, Mr. EASTLAND, Mr. ELLENDER, Mr. FLANDERS, Mr. FREAR, Mr. GEORGE, Mr. GILLETTE, Mr. GORE, Mr. GREEN, Mr. HENDRICKSON, Mr. HENNINGS, Mr. HOLLAND, Mr. HUMPHREY, Mr. HUNT, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KENNEDY, Mr. LANGER, Mr. LEHMAN, Mr. LENNON, Mr. LONG, Mr. MAGNUSON, Mr. MALONE, Mr. MANSFIELD, Mr. MARTIN, Mr. MCCARTHY, Mr. McCLELLAN, Mr. MILLIKIN, Mr. MUNDT, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. RUSSELL, Mr. SCHOEPEL, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SYMINGTON, Mr. THYE, Mr. UPTON, Mr. WATKINS, Mr. WILLIAMS, and Mr. Young entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] on behalf of himself and the Senator from Illinois [Mr. DOUGLAS] to the committee amendment.

Mr. BRIDGES. Mr. President, I wish to take not more than 2 or 3 minutes to explain the issue.

When this bill came to the Senate from the House it provided for 1,050 postal inspectors for the whole Nation. The Appropriations Committee, on Saturday,

after weighing all the evidence, reduced that number to an even 1,000. In other words, we eliminated 50 inspectors. We felt the number which the House had included was too large. The reason we placed the figure at 1,000 is that there are pending 41,238 cases which have not been investigated. They concern financial irregularities, mail losses, fraud, and many other types of cases. The postal inspectors last year handled 183,373 cases involving all types of investigations—personnel, space, fraud, financial losses, irregularities, audits, and others. The number of cases handled by inspectors would be about 183,000 divided by approximately 900, which would probably run somewhat over 200 cases a year investigated. With 41,238 cases on hand, they have quite a load to start with.

The committee did not agree with the House. We reduced the figure as I have stated, but on the basis of Post Office Department testimony we believed that they are entitled to an increase if we do not want irregularities to continue to mount.

The distinguished Senator from Arkansas [Mr. FULBRIGHT] made the statement that the Department did not need the additional employees because there had been a number of fourth-class post offices discontinued. As of June 30, 1953, there were 18,381 fourth-class post offices. Since that time there have been a total of 1,069 fourth-class post offices discontinued, which would bring the number down to approximately 17,320.

Mr. FULBRIGHT. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. FULBRIGHT. With reference to the decrease in the number of inspectors, from some of the experiences we have had in my State with the inspections to which the Senator has referred—I know of several cases, but one of them is close to my home town of Fort Smith—it seems to me the inspections are quite unnecessary. There is a postmaster there who has a very high record and who has been there many years. The only reason for sending an inspector there was to get rid of him and appoint a Republican in his place. Finally, after considerable discussion—I do not know how far it went—they obtained his resignation, although his record for many years has been of the very highest. His reports are always 98, 97½, or 99.

I suggest that the problem of replacing Democrats with Republicans will soon be over, and there will not be any more such investigations, and there is no need of increasing the force. Obviously, with 1,000 fewer post offices, there would not be any increase in legitimate investigations. I cannot see that any case has been made for increasing the number of inspectors.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. The number to which the Senator referred a few minutes ago strangely is almost the same as the number of post offices in the United States, the inspec-

tors must be investigating all the post offices.

Mr. BRIDGES. I will say to the Senator that he knows we acted according to the best judgment of the committee. I assume that somewhere between the figures recommended by the House committee and the Senate committee there is a fair compromise. There are 41,000 cases pending, many of which are fraud cases, irregularities, poor service—

Mr. MAYBANK. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. If there are fraud cases, why does not the Department of Justice do something about it? I read in the newspapers about the great Justice Department, and I wonder why it does not do something about it.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. Mr. President, I think the answer to that question is that if there are charges of irregularities, before the cases are turned over to the Department of Justice, it has always been the custom for postal inspectors to get the facts.

It seems to me, even in the partisan area in which we may live, that when a party has assumed responsibility for the executive branch of the Government, and an official responsible for a particular department states there is a backlog of cases and says, "I cannot be expected properly to administer my department unless I have an opportunity to have a force that will permit me to administer it properly," we should not transfer the responsibility to this Chamber and say we will not give him the tools with which to do the job.

Mr. MAYBANK. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. The same Justice Department would say it could not do anything about it. Why not have an investigation of something worth while, instead of some poor postmaster?

Mr. KNOWLAND. All I can say to the distinguished Senator from South Carolina is that if the situation were reversed and the Democratic Party were in power and an administrator came before the committee and made a presentation that he needed a reasonable number of additional employees in order to get rid of a backlog of cases, I certainly would not try to obstruct the administration of a great Government Department.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. I have been in the Senate when the Republicans were in power; I have been here when the Democrats were in power. I will never obstruct justice. My only thought is, Why does not the Department of Justice do something? Why does not the Department have someone indicted for corruption?

Mr. KNOWLAND. The great party which the Senator from South Carolina represents, in part, was in power for the past 20 years.

Mr. MAYBANK. No, no; I represent the American people first, then a great party. I have voted more times with Senators on the other side of the aisle than I have with Senators on this side of the aisle.

Mr. KNOWLAND. All I can say is that it has been the customary practice in the Treasury Department, when a case involving the currency or counterfeiting arose, to have the investigation conducted by the Secret Service, which is the investigative arm of the Treasury Department.

Mr. MAYBANK. The Department of Justice has an investigative arm.

Mr. KNOWLAND. In the Treasury Department the investigative arm is the Secret Service. The Treasury Department builds up its case, and when the case has been made, it is then turned over to the Department of Justice for prosecution.

When investigations have been needed in the Post Office Department it has been the custom to have the postal inspectors to make the investigations. If the postal inspectors make a case, the matter is then turned over to the Department of Justice for prosecution.

I certainly believe we have a right to appeal to Senators on the other side of the aisle not to obstruct the proper administration of a great Government department.

Mr. MAYBANK. I am not obstructing the proper administration of any department, but I want to know what cases the Postmaster General's inspectors have developed for the Department of Justice to prosecute. Can any Senator cite one case in the United States? I know the inspectors look around and try to find postmasters who are violating a law. They try to find persons to pick on.

Sears, Roebuck sends its catalogs all over the country. One of its officers is employed as an assistant postmaster general. The Sears, Roebuck catalogs clutter up post offices to such an extent as to make it difficult to handle other mail.

I should like to have the majority leader name one case in which the Postmaster General has found corruption through his inspectors. That is all I ask. I ask the majority leader to cite one case.

Mr. KNOWLAND. I cannot answer the Senator's question now. I do not have the information or the files of the Post Office Department. I do not know what investigations of fraud or any other violations are now being conducted by the Department. I do not have a list of cases which the Department may have turned over to the Department of Justice.

But I know that in a long period of years, under both administrations, from time to time, unfortunately, as is true in banks, there have been embezzlers who have absconded with funds. Unless the Government is prepared to undertake a proper investigation of such cases, the condition can be harmful to the entire Government service.

Mr. MAYBANK. The Senator from California is absolutely correct, but what

worries me is that the Department has not been doing that. The inspectors have been snooping around, trying to get something on a postmaster, instead of investigating what should be investigated.

I voted for the additional inspectors, reducing the number by some 48 from the number provided by the House. I am not here to obstruct the Committee on Appropriations, because I intend to stand by the distinguished Senator from New Hampshire [Mr. BRIDGES]. I simply want the record to be made clear. I should like to be shown where the Department has taken any action against those who have absconded with money, as the Senator from California has suggested, or who have done other things, except to get something on someone. That is the truth, and the Senator from California knows it.

Mr. BRIDGES. I cannot answer at this time the specific question asked by the Senator from South Carolina. All I can say is that last year 2,525 persons were arrested for theft of the United States mails. That was an increase of 265 arrests over the previous year.

During the first 4 months of this year, 759 persons have been arrested. This represents the largest number for a comparable period on record in history. These cases involve such things as the theft of money orders and checks, and the forging of documents, and so forth. In answer to the distinguished Senator from South Carolina, I cannot state the number of cases which the Department of Justice has prosecuted. I have sent for the information, if it is available.

Mr. MAYBANK. I want those who are corrupt to be prosecuted. I want to ascertain if this money is to be spent to prosecute those who have been corrupt or who have violated the law, rather than to be used to provide a new job.

Mr. BRIDGES. I think the Senator from South Carolina is entitled to have the information. But I desired to tell him the number of arrests which had been made.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. I wish to say to the Senator that the committee, which considered the request of the Post Office Department for an additional 150 inspectors, commented that the need was justified primarily on the basis of an increased use of postal inspectors in the management program. Is that true?

Mr. BRIDGES. That is the testimony.

Mr. JOHNSTON of South Carolina. That is contained in the report of the committee. If that be true, I wish to call the attention of the Senator to a report by the Senate Advisory Council on which thousands and thousands of dollars were spent to obtain advice about operations in the field. Let us hear what the report says. I read from page 10 of the report pursuant to Senate Resolution 49:

The inspection service has gone far afield from its original role as protector of the integrity of the mails. By evolution, down

through the years, it has become almost exclusively responsible for management of the Postal Establishment. This marriage of law enforcement and management has been a constant and increasing case in incompatibility that has had an ill effect on the efficiency and economy of the postal service. The inspection service, on the one hand, does not command the confidence, cooperation, and participation of the rank and file of postal employees in matters of management; thus, progressive movement is limited. On the other hand, the inspection service, as an entity, is not equipped by training or experience to provide the technical skill required to streamline and modernize the operations of the Postal Establishment by taking full advantage of recent-day developments in the fields of engineering and management.

The report leads one to believe that the inspection has gone far afield from its original duties and is causing a great deal of discontent and is not doing any good. May I further add that according to the report of the Senate Appropriations Committee, the new Postmaster General in a few short months has spent over \$700,000 for management surveys, consultant fees, and propaganda.

Mr. DOUGLAS. Mr. President, will the Senator from New Hampshire yield, to permit me to ask a further question of the Senator from South Carolina?

Mr. BRIDGES. I yield.

Mr. DOUGLAS. What was the recommendation of the advisory committee concerning the proper functions of the inspection service?

Mr. JOHNSTON of South Carolina. The advisory committee recommended that the inspection service get out of the management program field.

Mr. DOUGLAS. But the administration now is proposing to give them a million dollars more, in order to put them into that field more deeply.

Mr. JOHNSTON of South Carolina. A million and a half dollars was asked for, and the House allowed almost what was requested. The Senate then reduced the number of inspectors by 50. I do not think the inspection service needs more inspectors than it had last year, as I have said before. They received an increase of 43 last year, and I think that is sufficient.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MONRONEY. I believe that if this item were to provide inspectors for the traditional service which the Post Office Department has rendered in past years, there would not be any question about the appropriation being granted. But I believe that all Members, at least those on the Democratic side of the aisle, realize that the use of postal inspectors for the opening up of jobs for deserving Republicans is consuming a great number of the working days of inspectors.

I have in mind a postmaster in a small Oklahoma town who has been in the service for 20 years. The Republican county chairman, and rightly so, thought that his son-in-law should be the postmaster. To that we do not object. It is the natural feeling that to the victor belongs the spoils. But I have wondered why it was necessary to bring two post-office inspectors into the community to

spend time with the Republican county chairman in order to open up a job.

If the postmaster was as efficient as he was alleged to be, charges could be preferred against him. I think the situation to which I have referred illustrates the large amount of minutia with which the Postal Inspection Service concerns itself relating to World War II veterans.

Mr. BRIDGES. If I may answer the Senator, I assume that the reason for sending two inspectors was to be perfectly fair, so that one could check on the other.

Mr. MONRONEY. Does the Senator mean that one inspector was a Democrat, and the other was a Republican?

Mr. BRIDGES. Perhaps it was to make certain that the investigation would be perfectly fair.

Mr. MONRONEY. I do not know, but I think two inspectors are too many for an office which serves perhaps only 5,000 people.

Speaking seriously, I think the use to which post-office inspectors are put, in detecting fraud, corruption, and malfeasance in office, is good; but I wish to call attention to an affidavit which I have here from a wounded World War II veteran. Five charges were filed against him by the post-office inspector. He is a civil-service carrier on a city route. One of the charges is that he ate his lunch between 11:30 and 12:30 o'clock, instead of between 12 and 1, as the rules provide.

I should like to read charge No. 2 made by the post-office inspector:

You have permitted dogs, two of which are very large, to follow you continuously while serving your route, and have not made proper efforts to discontinue this practice after you were informed that it was objectionable to some of the patrons of the route.

I now read the reply to the charge, which was made by the World War II veteran:

Affiant has one small dog as company for his small children, but said dog has never followed him on his route. Affiant states that other dogs have in the past followed him on his route, even though he has always attempted to keep them from so doing; that affiant, in attempting to prevent dogs from following him on his route, has been reprimanded in the past for striking at dogs with his strap. That it is impossible to carry letters on any route in Norman without having a dog or dogs follow for some distance.

If that is what we are using post-office inspectors for, and this is an affidavit in answer to a solemn charge made by the postal inspector, then I think, under the leadership of Mr. Summerfield, we are getting pretty far astray in the investigation of minutiae in the daily lives, not only of carriers, but of dogs in the neighborhood. I think it might be wise to get back on the track and look after fraud and malfeasance in office, rather than seek to ruin the reputation of employees of a great service. One might as well have the FBI check up on overparking as to use the time and effort of experienced men to run down cases of which the one I have just cited is rather illustrative.

Mr. DOUGLAS. Since the Senator from New Hampshire is very generous in yielding, will he permit the Senator

from Illinois to add that I have in my office testimony about the use of inspectors? I have sent to my office for files in a number of cases where the resignations of postmasters have been demanded by inspectors. I ask unanimous consent to have printed in the RECORD at this point in my remarks a typical case of this type.

The PRESIDING OFFICER. Is there objection?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

X, ILL., April 26, 1954.

Senator PAUL DOUGLAS,
Washington, D. C.

DEAR SENATOR DOUGLAS: I received a letter from the Assistant Postmaster General, Mr. N. R. Abrams, March 2, 1954, stating they had complaint I did not reside within the delivery of the X post office, for me to advise fully my place of residence.

I am mailing you a copy of the letter I sent to the Department along with my rent receipts, which the Department has turned over to the Post Office inspector.

I have been a resident of X 6 or 8 months prior to my application for postmaster, have continued to keep an apartment or room with cooking privilege, which is paid in full until July 1, 1954. I do not stay at my room very much of the time, but keep clothes there, also mailing address. I will say I haven't been without a room for at least 42 months in X, where I pay taxes. I always pay from this township. When I vote I always give X address, in fact all business transactions are from X. I lived and stayed in X until my mother's health got very bad. Then I started staying more there to see after her. She passed away September 27 a year ago, leaving my 81-year-old father, which I look after. He resides on a farm approximately 4½ miles from the X post office on the Z rural route No. 1. I don't believe it is of this cause they want to fire me. It is because I vote the Democratic ticket.

I have had five inspectors at my \$1,588.48 per year post office in the last few months.

The first inspector was from New Jersey State. He came March 24, 1954, and checked the books and sent me a letter from the inspectors' office. He rated my office satisfactory, which I have on file. In a short time Inspector A from Y, Ill., came. He told me to draw a map of X giving the distance and the heads of the families, including all children from 10 years old from the post office. I guessed the best I knew how.

The third man was a star-route man from U, Ill.

The fourth time was Inspector A, looking the route over which they wanted to discontinue the office. The people of X talked to him and they had circulated a petition to not discontinue the office. They mailed it to Congressman —.

The fifth time was Inspector A. This time he said it was about me not residing within the delivery limits. I told him I had never been without residence prior to my application for the post office. He certainly did question me over and over about residence. In fact I thought he never would finish. He went to my room, checked my clothes, questioned the lady over and over. He came back to the office and told me I would receive a letter, for me to answer it and mail it to him at Y, that I would have to defend myself and that I would be tried on the charge. He certainly put us through severe questioning.

I will appreciate any advice or support you can give me. Do you think I have a chance? Or do you think I should resign.

This is something I don't understand. Do you have any idea where my trial will be held? This is nothing, only politics.

The Z office and the X office have each quarter mailed our quarterly account on the 1st or 2d day following the close of the quarter. And they then write for the second report of the list of money orders, stating they have not received them, when they could not have received the rest without receiving them, as they were all mailed together in the same envelope. I believe this is only to file a demerit against us.

Please advise me what you think best.

Respectfully yours, an obedient sup-
porter,

M.

M's REPLY TO N. R. ABRAM'S INQUIRY ABOUT
RESIDENCE

X, ILL., March 6, 1954.

Mr. N. R. ABRAMS,
Assistant Postmaster General,
Bureau of Post Office Operations,
Washington 25, D. C.

DEAR MR. ABRAMS: I received your letter asking for complete advice on my place of residence.

I wish to advise you I have had a place of residence in X prior to my application for postmaster and continue to have one.

Although after my mother passed away, I have been staying most of the time with my 81-year-old father, which would be alone other than me staying with him, but still keep my place of residence in X and receive my mail at that address. Am sending you my rent receipts. Please mail them back to me.

Respectfully,

M.

XX, ILL., November 2, 1953.

Mr. PAUL H. DOUGLAS,
United States Senator,
Washington, D. C.

HONORABLE SIR: To protect other postmasters, please assist Senator KERR and others in their fight to stop the purging of postmasters. I am being dismissed from service at this office on November 16, 1953, for inefficiency. My inspection grades for the past 3 years are:

1951, 99 percent.
1952, 100 percent.
1953, 99 percent.

Too late to help me, now, but other postmasters who have not been run off need your help.

Respectfully yours,

M.

Postmaster at XX, Ill.

Mr. DOUGLAS. There is one case which I should like to emphasize. In 3 straight years a postmaster in southern Illinois was rated as having an efficiency record of between 99 and 100 percent. The last of these ratings was made in October 1952, a few days before the Presidential election. I believe in December 1952, or very early in 1953, an inspector appeared at that office and began finding fault about various minutiae, and finally the resignation of this man was requested on the ground of gross inefficiency. It hardly seems possible to me that there could have been such a deterioration of character on the part of the postmaster in that short period of time.

I think the cases submitted will indicate that, in the main, inspectors have been used by the Postmaster General to try to force Democrats out of the postal service and put Republicans with political influence in the service in their places. I am not a civil-service crank; I believe that a certain amount of patronage is needed in operating the political

system. But I also believe that the law should be observed. Such employees are civil-service employees, and were guaranteed continuance in office so long as they performed their duties efficiently and honestly. What is happening all over the country is that the inspectors are practically framing a great many of such employees, at least that is the effect, either by forcing them to resign or driving them from office with blemishes on their records, when, in fact, such blemishes are so slight as to be natural.

The appropriation under discussion, which is wasteful in itself, will be merely a means of providing additional gestapos for the Postmaster General, so that he may increase Republican patronage throughout the country.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. It seems to me that if the distinguished Senator from Illinois, who is a responsible Member of this body, has any evidence that the Post Office Department has been framing people, as he has charged on the floor of the Senate, he owes it to the Senate to lay the cases before it and before the proper committees of the Senate. A responsible Member of this body has made a serious charge. I do not think such a charge should be loosely made. If the Senator has any evidence that postal employees have been framed, I think it is his duty to his State of Illinois and to the people of the United States to lay such evidence and facts as he has before the Senate. As majority leader of this body, I certainly would not tolerate, so far as I had any voice to prevent it, any such action by any Government department, be it a Republican or Democratic administration. Statements have been made from time to time about irresponsible charges, but I do not think a charge of the nature of that which has been made should be made by a Senator of great responsibility unless he is prepared to back up his statement with the evidence to support it.

Mr. DOUGLAS. I may say to my good friend, the Senator from California, that perhaps the use of the term "framed" was excessively severe. The point is not so much that false charges have been made as that minor infractions have been blown up to a magnitude out of all relationship to their real importance. That is what I meant. The effect is very similar to "framing," although I do not charge fraud. I am not charging the postal inspectors with false statements or charges, but am stating merely that inspectors have searched with a magnifying glass to find minor derelictions, such as those which the Senator from Oklahoma has disclosed, to justify the expulsion of Democrats, even though, by law, they cannot be working Democrats.

Mr. MONRONEY. I may state that the affidavit which I read is that of a civil-service worker, and I do not know to which party he belongs.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I appreciate the fact that the Senator from Illinois is an honorable man. Sometimes in the heat of debate statements are made which convey certain connotations on those hearing them. I am glad the Senator from Illinois has withdrawn the connotation which was impressed upon me from hearing the statement he made.

Mr. DOUGLAS. I shall be very glad to inspect the Record to see that it makes no charges of fraud.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. Having formerly been chairman of the Committee on Post Office and Civil Service, I can state that reports have come to me that postal employees were put under pressure and intimidation in order to get them out of office. So last year I submitted a resolution on this very subject, urging an investigation. However, I wish to inform the Senator that to this day I have not been able to get a single hearing on that resolution.

Mr. BRIDGES. Mr. President, the distinguished senior Senator from South Carolina [Mr. MAYBANK] asked me a question earlier, which I think is reasonable. The information he asked for is that in this fiscal year more than 5,000 cases have been referred to the Justice Department. We have not been able to determine from that Department how many of such investigations have been completed.

Mr. MAYBANK. I appreciate what the distinguished Senator has just said, but I want to know what the Justice Department is doing about such investigations and about the FHA. I am very much interested in finding out what the Justice Department is doing about corruption in government. I am very much interested in finding out what the Justice Department is doing about corruption in New York, particularly with reference to title I, the FHA modernization and improvement program, and section 608 of the Federal Housing Act.

Mr. FULBRIGHT. Mr. President, if the Senator from New Hampshire will yield, I should like to ask how the backlog of 41,000 cases, which the Senator has mentioned, compares with what the number was 2 years ago. Is it more or less?

Mr. BRIDGES. On June 30, 1952, 29,949 cases were on hand. A year later, 42,238 cases were on hand—or an increase of approximately 12,000 cases.

Mr. FULBRIGHT. That is a 30-percent increase in the number of cases, is it not? Are the inspectors engaged in seeking out Communists in the Postal Service?

Mr. BRIDGES. Not so far as I know. If there are Communists in the Postal Service, I hope the inspectors have uncovered them, although I assume that is only a part of the inspectors' job. Certainly it is not their primary job. I assume that if there are Communists in the Postal Service, the postal inspectors will run them down.

Mr. FULBRIGHT. How many cases of subversion emanating from the Postal Service are included in the magic number of 2,456, or whatever the exact number is, that we were told had been uncovered in the Government by the new administration?

Mr. BRIDGES. The question did not arise in connection with Post Office appropriations.

Mr. FULBRIGHT. Can the Senator from New Hampshire tell us why, since the new administration has come into office, there have been 11,000 more cases of malfeasance, apparently, than there were before? What has happened in the Government service to bring about so many more cases now, as compared with the number in 1952?

Mr. BRIDGES. I do not think all the cases involve malfeasance. The cases are of all types. Perhaps the situation is a normal and transitory one. Perhaps the inspectors are looking into a wider range of cases.

Mr. FULBRIGHT. Does not the Senator from New Hampshire agree that it is rather unusual that since 1952 the backlog of cases has increased by 30 percent? Would not one normally conclude that there is a great deal more malfeasance, neglect of duty, or whatever may be the proper term for such misconduct?

Mr. BRIDGES. My thought is that probably the inspectors are doing a more thorough job, and more cases of that sort are being discovered, than were disclosed during the previous administration. That is simply a logical conclusion on my part, I may say to the Senator from Arkansas.

Mr. FULBRIGHT. Are all the postal inspectors new ones, or have some been carried over from the previous administration?

Mr. BRIDGES. Some new inspectors have filled vacancies, I believe; but many of the inspectors who served during the previous administration have been carried over. I cannot state the exact number, although I shall be glad to obtain any information the Senator from Arkansas wishes me to develop.

Mr. FULBRIGHT. It occurs to me that if the present number of postal inspectors is the same as the number under the previous administration, then, in view of the tremendous increase in the number of cases, we should investigate the Postal Department, rather than increase the number of inspectors, in order to see what has gone so seriously wrong in the Department as to cause so great an increase in the number of cases.

Does not it occur to the Senator from New Hampshire that something must be seriously wrong in the Department when, within 2 years, the backlog of cases has increased by 30 percent?

Mr. BRIDGES. I might draw exactly the opposite conclusion; I might conclude that under the present administration the postal inspectors are doing a very much better job, and thus more cases are coming to light, than were uncovered in the past. Similarly, I might conclude that at this time the postal inspectors are spending more time in-

specting the various cases, although perhaps they are not covering so many cases in number. Of course, the Senator from Arkansas is entitled to his opinion; but I could draw entirely the opposite conclusion.

Mr. FULBRIGHT. I understood the Senator from New Hampshire to say that most of the postal inspectors now in the service have been carried over from the previous administration.

Mr. BRIDGES. I believe there have been some changes.

Mr. BUSH. Mr. President, I suggest to the Senator from Arkansas that the supervision might be different.

Mr. MAYBANK. Mr. President, I have been on the committee for 11 years. Will the Senator from Connecticut explain how the supervision may be different?

Mr. BUSH. My observation was that it seemed to me the supervision might have been improved, and that, therefore, more cases had been discovered.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield to me?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from California?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. All I understood the distinguished Senator from Connecticut to say was that one reason may have been an improvement in the supervision. I call the attention of the distinguished Senator from South Carolina to the fact—and he can take senatorial notice of it—that on inauguration day, in January 1953, the new administration took office.

Mr. MAYBANK. I appreciate the fact that the new administration took office, through the votes of the Democrats of the United States. But the new administration will not continue in office—certainly not beyond the next presidential election.

Mr. JOHNSTON of South Carolina. Mr. President, I agree that there has been a change in the supervision, but it has occurred in this manner: The postal inspectors have interfered with postmasters and have sought to tell them how to run their offices. That is not the field of the postal inspectors; but that is what has happened during the last 2 years. Almost any postmaster will verify that statement. They have also been used against clerks and carriers in a manner not in accordance with American standards and customs.

Mr. BRIDGES. Mr. President, on the question as to the security program, I have before me the justification, which states that the Chief Post Office Inspector is the personnel security officer. Under the personnel security program, a national agency check is made by the Civil Service Commission in the case of each appointee. The Commission refers the results of the checks to the personnel security officer. In addition, the personnel security officer receives for the record reports of full field investigations when appointments are made to sensitive positions.

Present indications are that in the neighborhood of 75,000 national agency

checks and full field investigations will be received in the course of a year. Moreover, approximately 2,500 cases previously processed under the old loyalty program will have to be resurveyed.

I have given the Senator an indication of the procedure followed in this program.

Mr. President, I believe the story behind this amendment is a rather simple one, and I hope the amendment will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON] to the committee amendment on page 11, in line 3.

THE NEED FOR A BIPARTISAN FOREIGN POLICY

Mr. LEHMAN. Mr. President, I rise to address myself to a subject of the deepest concern to me, as I believe it is and must be to all the people of the United States and, indeed, to all the people of the world. I refer to the need for a genuine bipartisan foreign policy.

At long last, Mr. President, we are giving some attention to this situation. At long last administration spokesmen are acknowledging the need for a return to bipartisanship in foreign policy, as we move into a world situation of increasing tension and crisis, the administration acknowledges that for such a crisis bipartisan support is desirable and necessary.

Yesterday, the distinguished leader on my side of the aisle, the Senator from Texas [Mr. JOHNSON], spoke. I am sure for all of us, in indicating our readiness to give constructive support to constructive policy. Certainly he was voicing my thoughts. He was expressing a sentiment I deeply feel.

The world crisis is too grim for all of us to permit its use in common strife for partisan political advantage. But, Mr. President, the record, at this point, must be perfectly clear. I cannot accept the statement of the President of the United States, at his press conference yesterday, that our present foreign policy is bipartisan and that in its framing and effectuation there has been adequate bipartisan consultation.

That is not an accurate statement, and it must not go unchallenged. I speak only for myself, Mr. President. I am not a spokesman for my party.

The fact is that the bipartisan structure erected by Franklin D. Roosevelt and maintained and extended by Harry S. Truman has been wrecked and scuttled.

The charge that the Democratic administration was shot through with treason was made and was repeated time and again. Ugly innuendoes against the former great Secretary of State, Dean Acheson, were made part of the standard patter of Republican Party spokesmen over the past 2 years, as well as before then.

The Vice President of the United States, who is the presiding officer of this body, expressed such an innuendo only a few weeks ago in making a nationwide television address. That address con-

tained many statements with which I violently disagree; and many of them have turned out, in the light of events of only a very few weeks, to be tragically mistaken. But none of the Vice President's statements was so unfair as his implication that one of the most courageous Secretaries of State of all time, and one of the very greatest of modern times, Dean Acheson, had failed to stand up to the Communists. That is not true. It is the opposite of true.

Mr. President, in all humility, I should like to suggest to the administration in power and to President Eisenhower that if he truly wishes to reknit the fabric of bipartisanship in our foreign policy, he call in for consultation, and also for participation, if he is willing, Dean Acheson, whose statesmanship and skill at diplomacy cannot be challenged or denied, and who was one of the great architects of the structure of free-world unity which must underlie any successful approach to the grave problems now confronting us and the world. I, myself, consider this one of the tests of a real return to bipartisanship.

There are other tests. There are other men of great wisdom and experience in the field of world policy, who helped forge our policy of the past—both Democrats and Republicans—who should be called back into the councils of the Nation to help resolve the problems we confront in Asia and elsewhere.

The administration has, it is true, the ultimate responsibility for formulating and executing policy. But if we are to have a truly bipartisan policy, that policy must be formulated after consultation with Democrats, and with the participation of Democrats. There is no bipartisanship in merely advising a few key Democrats slightly beforehand on what the administration has already decided to do or say. That is merely a courtesy, not an involvement.

I am not a member of the Foreign Relations Committee which, nevertheless, has shown me courtesy and consideration. I do not expect to be made privy to the inner secrets of our diplomacy. But I would like to know that the views of those experts in my party whom I trust have been solicited and considered.

A very great Republican, the late beloved Senator Arthur Vandenberg, one of the great molders of policy under the Democratic administrations, once said that bipartisanship in foreign policy requires consultation at the takeoff, as well as at the crash landing.

That statement is as true today as it was when Senator Vandenberg cogently pointed it out to our administration.

Mr. President, I will not, of course, abandon my right to criticize this administration, under any circumstances. I criticized some aspects of the foreign policy of the Democratic administration, when I thought that criticism was justified.

But if there is to be any real unity of purpose and resolve in our country in matters of foreign policy, there must be a quick return to genuine bipartisanship. And Republican Party spokesmen, from the highest to the lowest, should be advised of this return and

son, Secretary of the Army, was executive vice president.

There were at least as many Republicans as Democrats, if not more Republicans, on that committee, which agreed to push this policy and agreed to sell it to the American people. It was to a considerable extent because of efforts of this committee that the Marshall plan was finally adopted.

Mr. BRIDGES. The Senator apparently did not understand my question, because he did not answer it.

Mr. LEHMAN. I thought I had answered it.

Mr. BRIDGES. I asked him if he could name more than one instance under Roosevelt or under Truman of Republican congressional leaders having been called into conference and their advice requested before a policy was put into effect. I am talking about Republican leaders in the Congress, not outside individuals.

Mr. DOUGLAS. Mr. President, will the Senator from New Hampshire permit a very junior Member of this body to ask a question of a very senior Member of this body?

Mr. BRIDGES. I shall be glad to yield the floor.

Mr. DOUGLAS. I am laboring under a disadvantage in this matter, when the Senator from New Hampshire is the senior Republican Member with the longest period of uninterrupted service, but is it not a fact that during the war the Secretary of State, Cordell Hull, formed a conference committee of leading Republicans and Democrats who met periodically, and is it not true that Secretary Hull submitted problems to this conference committee and sought the advice of its members, and that there was genuine bipartisan cooperation?

Mr. BRIDGES. To answer the Senator, I will say it is true that Secretary Hull, for whom I have very great respect, did call in a group of Republicans, but I do not recall that at any meeting I ever attended we were asked for advice in connection with the formulation of a policy. He called them in and reported the situation as it existed. He kept us informed, but he did not say, "What shall we do here?" or, "What shall we do there?" But he did keep the congressional leaders informed of the steps taken.

Mr. DOUGLAS. Mr. President, will the Senator from New Hampshire yield for another question by a very ignorant but very interested Member of this body?

Mr. BRIDGES. I yield.

Mr. DOUGLAS. Is it not true that Senator Vandenberg was consulted with reference to the terms of the United Nations Charter and appointed a delegate to the Council at San Francisco?

Mr. BRIDGES. Yes.

Mr. DOUGLAS. Was he not the leader of the Republican Party, so far as foreign policy was concerned?

Mr. BRIDGES. Yes. But the leaders of the Republican Party were not consulted while the policy was being made. Senator Vandenberg was called in, and he was appointed a delegate to the meeting at San Francisco, and I think he sat at Dumbarton Oaks as a delegate.

Mr. DOUGLAS. Did he not have a very large share in the determination of American policy?

Mr. BRIDGES. There is a difference of opinion as to that. He had something to do with it, but on many occasions he felt he was ignored, was not consulted, and was repudiated. I want to be fair in this matter.

Mr. DOUGLAS. I appreciate that.

Mr. BRIDGES. I was a supporter of the Marshall plan, and I think if it had not been for my assistance there would have been a tough time with reference to getting appropriations for it.

I remember that when Mr. Truman was President, the Republican leadership was called in, but the only instance in which we played a very vital part in a decision was in the case of Greek-Turkey aid. The decision was arrived at jointly. That is the only such case I recall at the moment. Many times we were told what the situation was and what was going to occur, but we were not asked to sit in as we were in the case of Greek-Turkey aid.

Mr. DOUGLAS. The Senator says that Senator Vandenberg felt that he did not have a share in the formation of the United Nations, but that he and other congressional leaders were consulted in connection with Greece and Turkey. Is it not true that conferences were held with leaders of the Republican Party in connection with the Marshall plan?

Mr. BRIDGES. Not to help to formulate the Marshall plan. It was formulated first, and when we were called in, it was presented to us and our support for it was requested. But we did not sit in and draft the various provisions of the Marshall plan. We discussed it and were asked to support it, but we did not help lay the foundation.

Mr. DOUGLAS. Mr. President, will the Senator from New Hampshire, from his experience, permit another question from an inexperienced Senator?

Mr. BRIDGES. Yes. The Senator is very modest today.

Mr. DOUGLAS. Is it not true that Senator Vandenberg, in 1948, I believe, took the lead in securing the adoption of a resolution for mutual assistance between the Republics of North and South America?

Mr. BRIDGES. That is correct. But he did it as chairman of the Foreign Relations Committee.

Mr. DOUGLAS. Is it not true that the policy which Senator Vandenberg developed for mutual assistance was later taken over by the Democratic Party in the treaty of mutual assistance between European states and the United States?

Mr. BRIDGES. I am sure that if there was anything good ever contributed by the Republican Party, the party of the Senator from Illinois would have taken it over.

Mr. LEHMAN. That is what we are maintaining should be our policy.

Mr. DOUGLAS. Is it not true that in the formation of the North Atlantic Treaty, Senator Vandenberg was closely consulted?

Mr. BRIDGES. I think Senator Vandenberg was one of the most distinguished and able Members of this body.

I have listened to him by the hour, the day, the week, and the month telling how his advice had been ignored and that he had not been consulted on certain matters. It is true that he was made a delegate to the United Nations meeting in San Francisco. It is true that as chairman of the Foreign Relations Committee he took the leadership in furthering bipartisanship, to which he gave very loyal support. But, to start with, he did not sit in on the building of the policy. He always came in afterward, except on very rare occasions, one of which involved the Greek-Turkey matter.

Mr. LEHMAN. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. LEHMAN. Mr. President, I have to leave very soon to make a recording, but I wish to point out for the RECORD that I was pretty close to the developments brought about by the Roosevelt and Truman administrations. I recall, Mr. President, although I have not a full list of eminent Republicans called in by the administration, certain very prominent Republicans who were invited and whose advice was carefully considered and, in most cases, followed. I recall, for instance, the name of Henry L. Stimson, who was Secretary of War. I remember the name of Judge Robert Patterson, who later became Secretary of War. I recall the name of Mr. Robert Lovett, who became one of the most eminent Secretaries of Defense. I remember Senator Warren Austin who was the representative of this country, by appointment of the President, on the United Nations. I remember Mr. Dulles himself who was called in by the Secretary of State in a Democratic administration.

Mr. Dulles was called in, as I recall, in the early part of 1950, after he had left the Senate. I recall many other eminent Republicans who represented the United States on foreign missions. I might mention the late Governor Winant, of New Hampshire, the Senator's own State. I recall, too, that later Ambassador Gifford was appointed.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. DOUGLAS. Is it not true that the distinguished senior Senator from New Hampshire received his start in politics in that State under the aegis of Governor Winant?

Mr. BRIDGES. I may say to the distinguished Senator from Illinois, that, as he may recall, it was the Senator from New Hampshire who had a part in Governor Winant's first campaign.

Mr. WELKER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. WELKER. Would the distinguished President pro tempore of the Senate mind answering a question? Does he think it would be out of line to return to the debate on the bill, and to refuse to yield to a partisan discussion which will last until the snow flies, so that we may determine whether it will be possible to pass the Treasury-Post Office appropriation bill today?

Mr. BRIDGES. I thank the Senator from Idaho, who in his usual cogent and

efficient way has posed the question. Before returning to the debate, there is one thing I desire to say. I asked the Senator from New York a question about Republican leaders in Congress. I did not get an answer.

Mr. LEHMAN. The Senator from New York is still on the floor. I said I could not speak from personal knowledge of the Members of Congress, either Republicans or Democrats, who participated in the deliberations, but I gave a partial list of the prominent Republicans who participated. That is my whole thesis.

Mr. BRIDGES. The Senator from New York certainly did, and that was the point of my question.

TREASURY AND POST OFFICE APPROPRIATIONS, 1955

The Senate resumed the consideration of the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina for himself and the Senator from Illinois [Mr. DOUGLAS] to the committee amendment.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Dworshak	Magnuson
Barrett	Ellender	Mansfield
Beall	Frear	Maybank
Bowring	Fulbright	Monroney
Bridges	Gore	Morse
Bush	Green	Payne
Butler, Md.	Holland	Russell
Chavez	Humphrey	Saltonstall
Daniel	Johnson, Tex.	Stennis
Dirksen	Johnston, S. C.	Welker
Douglas	Knowland	Wiley
Duff	Kuchel	Williams

The PRESIDING OFFICER. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. BENNETT, Mr. BYRD, Mr. CASE, Mr. CLEMENTS, Mr. COOPER, Mr. CORDON, Mr. EASTLAND, Mr. GEORGE, Mr. GILLETTE, Mr. GOLDWATER, Mr. HAYDEN, Mr. HENDRICKSON, Mr. HENNINGSON, Mr. HILL, Mr. HUNT, Mr. IVES, Mr. JACKSON, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. KENNEDY, Mr. LANGER, Mr. LEHMAN, Mr. LENNON, Mr. LONG, Mr. MALONE, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MILLIKIN, Mr. MONDT, Mr. MURRAY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. SCHOEPPPEL, Mr. SMATHERS, Mrs. SMITH

of Maine, Mr. SMITH of New Jersey, Mr. SYMINGTON, Mr. THYE, Mr. UPTON, Mr. WATKINS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. UPTON in the chair). A quorum is present.

The question is on agreeing to the amendment submitted by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 11, in line 3.

Mr. DOUGLAS. Mr. President, I make the point of order that a quorum is not physically present.

The PRESIDING OFFICER. A quorum answered the rollcall.

Mr. KNOWLAND. Mr. President, there is no doubt that a quorum answered the rollcall.

The Senator from Illinois has been around the Senate long enough to know that Senators often must attempt to keep up with their mail by signing it in the cloak rooms and in the reading room. A quorum has answered the rollcall.

If the Senator from Illinois is only interested in obstructing the business of the Senate and in prolonging its transaction, by means of a new kind of filibuster, he is free to proceed to do so, of course. I had hoped we might be able to conduct the public business without continuous obstruction.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 11, line 3.

Mr. DOUGLAS. Mr. President, I make the point of order that a quorum is not physically present.

The PRESIDING OFFICER. The rollcall disclosed the presence of a quorum.

Mr. DOUGLAS. I appeal from the ruling of the Chair.

The PRESIDING OFFICER. The point of order is overruled.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I understand the request I am about to make is agreeable to the Senator from Illinois [Mr. DOUGLAS], and on that understanding I ask unanimous consent that the order for the quorum call be rescinded.

Mr. DOUGLAS. With the understanding—

Mr. KNOWLAND. The Senator has my word.

Mr. DOUGLAS. I beg the Senator's pardon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON], for himself and the Senator from Illinois [Mr. DOUGLAS], to the committee amendment on page 11, line 3.

Mr. KNOWLAND. Mr. President, on this question I ask that the yeas and nays be ordered.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I wish to comment on the pending amendment, offered by the Senator from South Carolina [Mr. JOHNSTON] and the Senator from Illinois [Mr. DOUGLAS].

As I understand the purpose of the amendment, it is to reduce the number of inspectors by approximately 150. If I correctly understand the amendment, it would set a maximum ceiling figure of 900 inspectors for the postal service. I am sure that already it has been brought to the attention of the Senate that the number of postal outlets or offices has been reduced because of the policy being followed of closing a large number of fourth-class post offices.

It is my understanding that some reference has been made to the study on the part of the Advisory Committee on the subject of economy and efficiency in management and methods of the Post Office Department. This Advisory Committee was established pursuant to public law, and consists of representatives of the Congress who have made a considerable study of the operations of the Post Office Department. I think the paragraph on page 10 of the report of the Advisory Committee dealing with postal rates and postal policy of the Post Office Department indicates the scope of the problem before us, and contains a great deal of information about the justification for the amendment which has been offered. I read from page 10 of that policy report:

The inspection service has gone far afield from its original role as protector of the integrity of the mails. By evolution, down through the years, it has become almost exclusively responsible for management of the Postal Establishment. This marriage of law enforcement and management has been a constant and increasing cause in incompatibility that has had an ill effect on the efficiency and economy of the postal service. The inspection service, on the one hand, does not command the confidence, cooperation, and participation of the rank and file of postal employees in matters of management; thus, progressive movement is limited. On the other hand, the inspection service, as an entity, is not equipped by training or experience to provide the technical skill required to streamline and modernize the operations of the Postal Establishment by taking full advantage of recent-day developments in the fields of engineering and management.

That statement indicates that the inspection service has gone far afield from its original intent and duties. The report indicates that the inspection service has finally evolved into an agency which performs both management and inspection functions. However, the report does not point out one of the most recent developments within the inspection service, namely, the public relations department of the Postmaster General.

I support the pending amendment because I am convinced—and I shall soon present the documentation to substantiate my contention that the inspection service is being used as a political police force. It is being used as a glorified public relations agency, and is being used to further the aspirations and aims of

the Postmaster General in the field of legislation.

It is my opinion that this is a violation of public law, and that it ought to be thoroughly investigated and scrutinized.

I read a letter which I received under date of April 16, from the National Federation of Post Office Clerks. The letter comes from the city of St. Paul, Minn., and reads as follows:

NATIONAL FEDERATION OF
POST OFFICE CLERKS,
St. Paul, Minn., April 16, 1954.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,

Washington, D. C.

DEAR SENATOR HUMPHREY: I am enclosing a copy of a directive sent out by the inspector in charge at the St. Paul Post Office. It was sent to the post offices in Minnesota, and is self-explanatory. How far is the Congress going to permit this to proceed? Here is absolute evidence that the Postmaster General is using the post-office system as a means to distribute his propaganda against our salary requests, and in fact, against the Members of Congress who are supporting us. The TWX (teletype) system is a direct wire system from the Department to the offices of the inspectors in charge of the various districts. I am quite certain that this teletype system is paid out of the appropriations of the Post Office Department. We believe that this is a direct violation of the 1948 statute enacted by Congress (18 U. S. C. A., sec. 1913) entitled "Lobbying With Appropriated Monies." On page 2 of the enclosed document the bills before Congress are definitely mentioned in what I believe a derogatory manner. In my humble opinion this is definite lobbying against bills before the Congress.

I am not certain that you are aware of the impact of a letter of this type from the inspector in charge has on a postmaster, especially in a small office. It is in effect an order to be followed or suffer an investigation. You are certainly aware of the far-reaching power of the postal inspectors. I would like to call your attention to the fact that postmasters are requested to return to the inspector in charge tearsheets from the local papers carrying the enclosure. It is evident that a check is going to be made to see that this order has been followed.

We in the postal service are amazed that such a situation should occur. We are further amazed that our friends in Congress would allow the Postmaster General to use his agency in such a manner. As employees our hands are completely tied, but it is unbelievable that the Congress of the United States cannot stop this type of action by the Postmaster General.

Many times in the past you have helped the members of Local 65 in fighting for what is just. We sincerely request your support and assistance in this important matter.

With kindest personal regards, I am,

The name will be withheld. A precedent has recently been established in Congress with reference to withholding names.

I hold in my hand a copy of the teletype message referred to. That teletype message came from the Postmaster General of the United States, and was sent to all inspectors. It was not sent to postmasters, but to inspectors.

Inspectors are supposed to be under the civil service system, the merit system—the highest standards of the civil service merit system. The Postmaster General is using the teletype system of the Government, which, by the way, is rented from the telephone company and

paid for out of public funds, to transmit his speech in reference to postal legislation to every inspector in every part of the United States.

This message from the Postmaster General tells the inspectors, who are supposed to be protecting the mail, protecting the integrity of the postal system, protecting the people from fraud and misuse of the mails, not only to bring the message which he teletypes to the attention of postmasters, but also to make sure that the postmasters have it published in the local newspapers. Furthermore, the postmaster must spend his time clipping newspapers to send back to the inspector to show that the Postmaster General's speech was carried in the local press.

If anyone has any justification for that kind of nonsense I should like to hear it. The inspectors are being used to do two things beyond the call of their duty and responsibility. I sympathize with the inspectors. They are taking orders. I am not condemning the men in the inspection service; but I say that the postal inspectors are being used to carry out the public relations of the Post Office Department, and are being used to rid the Government of postmasters if the Postmaster General, for political reasons, does not want them retained in the service.

Mr. President, in case some one should like to press the matter, let me say that in instance after instance postal inspectors who only 2 years ago gave a post office a rating of 95, after January 20, 1953, gave the same post office a rating of 65. That happened when the inspector, the postmaster, the post office, and the community were the same.

Why? It was to get rid of a postmaster, in violation of the intent and purpose of the civil-service law.

Mr. President, I am one Senator who will not give more money to Postmaster General Summerfield for public relations purposes. Let him hire B. B. D. & O. They are in a private public-relations enterprise. I will not have any socialism in the Government by way of a paid public-relations business.

What is more, I will not permit by my vote the postal inspection service, which ought to be examining the mail for filthy literature and for scurrilous material, to be used as a sort of political gestapo.

So I say to my friend, the Senator from South Carolina, that his amendment is not only in line with what is good public policy, but I believe he has been most generous.

Until the postal service is willing to use the postal inspectors for the purposes specified in the law, I say that the inspector service ought to be cut down.

Lest anyone may believe it is only the junior Senator from Minnesota who feels that way, let me read a few newspaper articles. First I read from an article published in the Washington Daily News. It is a story written by John Cramer, one of the able reporters in this city, a man who for many years has been interested in civil service personnel practices. I may add, incidentally, that the Washington Daily News certainly is not a pub-

lication of the Democratic National Committee.

Mr. Cramer has this to say:

Postmaster General Arthur Summerfield may or may not have violated the antilobbying law when he used a teletype hookup to transmit a press release on his postal job classification plan to 50 leading postmasters.

But he very definitely wasted \$500 to \$1,000 of public funds which could have been saved by using—the postal service.

I digress to say that the Postmaster General relied upon the teletype service instead of sending his speech through the mail—a service which he says is so very efficient.

Mr. Cramer goes on to say:

The Department's public-relations officers were too busy last week to even discuss the teletyped press release, which went out with instructions to the 50 postmasters to deliver it immediately to newspapers in their cities.

But one public-relations man, apparently unaware of Republican economy pledges, took time to volunteer the comment:

"So what? Maybe we did waste a few hundred. But with the H-bomb and all those billions, what does it matter?"

The public-relations office referred questions about the teletyped release to Solicitor Abe Goff, who said:

1. He personally had assured Mr. Summerfield the release did not violate the 1948 antilobbying law. This law provides dismissal, fines, and imprisonment for those who "directly or indirectly" use public funds to pay for any device (including telegrams, telephones, and letters) intended to influence Members of Congress for or against legislation.

2. Mr. Summerfield has a good job-reclassification plan and has not only a right but a duty to explain it to the public. "He can't just sit on his hands. Besides, he isn't built that way."

3. Teletyping the press release to postmasters involved "absolutely no extra expense"—because the Department has its own teletype circuit to its 50 biggest post offices.

Mr. Goff turned out wrong on this last point.

A check disclosed that what the Department has is a TWX setup in which it leases teletype service from the telephone company on the basis of flat fees—plus charges for time the teletypes actually are in use.

On this basis, it is estimated to have spent at least \$500 and perhaps \$1,000 or more to transmit the several-hundred-word press release to the 50 postmasters.

The Summerfield statement directly attacked pending \$800-a-year pay bills, saying:

"The bills receiving the most attention would give a flat \$800-per-year increase, or 40 cents an hour more, to every one of our half-million postal employees. It would cost the American people \$400 million a year."

Meantime, when the Department's public-relations people get around to it, they may want to answer these questions:

What was the precise cost of the teletyped messages to postmasters—and others which allegedly went to postal inspectors?

Let me digress again, Mr. President, to say that it is not "allegedly" that the teletype messages went to postal inspectors. I have in my hand a copy of the teletype message which was received at the post office in St. Paul, Minn. I shall incorporate it in the RECORD in a moment. It went to the inspectors, and not only to the postmasters.

Mr. Cramer goes on to say:

Why did it use the TWX, instead of preparing the release in advance and mailing it?

Since when did the waste of even a few hundred dollars of public money become unimportant?

Mr. President, I point out that the subject has had some attention in other sections of the country as well. For example, the *Capital Times*, of Madison, Wis., on April 7, 1954, published two articles on the same subject.

I ask unanimous consent that the articles be printed in the *RECORD* at this point in my remarks.

There being no objection, the articles were ordered to be printed in the *RECORD*, as follows:

PUBLICITY MAN ADMITS POSTMASTERS WERE ASKED TO PEDDLE SUMMERFIELD TALK—PRACTICE ASSAILED BY LOCAL UNIONS OF POSTAL WORKERS

(By Joseph A. Dear)

WASHINGTON.—Postmasters in 50 key cities were "requested" to peddle to local newspapers a speech Postmaster General Arthur Summerfield gave on a radio program April 2. Senator OLIN JOHNSTON, of South Carolina, ranking Democrat on the Post Office and Civil Service Committee, called the procedure very questionable. He said it looks like Summerfield is trying to turn postmasters into press agents.

Summerfield will be asked for an explanation when he appears before the committee later this month, JOHNSTON added.

I. R. Walter, Director of Public Relations for the Post Office Department and special assistant to Summerfield, readily admitted local postmasters were asked to distribute the speech. It was carried on Ray Henle's Three Star Extra news program which is sponsored by Sun Oil.

The speech in question sought support for Summerfield's Post Office Department reorganization program, which has been vigorously opposed by organizations of postal employees.

"We got several requests for the text of the talk last Saturday morning," Walter said, "and decided to distribute it to postmasters in 50 key cities over the teletype."

Walter said that Madison was not on the distribution list, since it does not rank among the top 50 in postal receipts.

"I don't know how it got to Madison," he said. But he surmised that the Chicago post office might have ordered the action.

Walter was asked if he thought distribution by local postmasters was more efficient than by press association wire service.

It would be incorrect to infer that wire services were being bypassed, Walter said. He said that a talk Summerfield gave Monday night on Fulton Lewis, Jr.'s radio show had already been released to press services and reporters.

As for the distribution of Summerfield's speech by local postmasters, Walter said this was not unusual, but it's not done very often.

LOCAL UNIONS HIT PEDDLING OF SPEECH

(By Irvin Krelsmann)

The practice of making use of postmasters as press agents to distribute policy speeches of Postmaster General Arthur E. Summerfield was blasted today by local officers of the various postal unions.

Charles Easton, president of Madison Branch 507 of the National Association of Letter Carriers, called Summerfield's action "an unwarranted imposition on the dignity of the office of postmaster in making an errand boy of him for the distribution of publicity favorable to the highly controversial Summerfield proposal to organize the Department."

Summerfield's action was criticized Monday night by members of the Madison local of NALC, which also adopted a resolution

protesting the bill advocated by the Postmaster General.

Members of the union said that Summerfield had gone so far to sell the proposal as to place it in the *Postal Bulletin* on March 11. The bulletin carries the daily orders of the Postal Department to all employees in field service.

John DuBois, president of the Madison Chapter of the National Federation of Post Office Clerks, asserted that Summerfield is taking "unfair advantage of his position to push bills which are antilabor and which will be harmful to thousands of postal employees."

DuBois said that Elmo Cooper, Madison acting postmaster, is being placed "on the spot" by Summerfield's orders.

Summerfield's order came to light here Monday when Cooper personally delivered a typewritten radio speech of Summerfield to the *Capital Times*. The Postmaster General gave the talk over the NBC network last week on the Three Star Extra program which is sponsored by the Sun Oil Co.

Written on the letterhead of the Postoffice Department from Chicago, the address by Summerfield was preceded by the following order:

"The following message has been received from the Chief Postoffice Inspector, Washington, D. C., for transmission to you:

"Postmaster: Because of widespread public reaction to radio broadcast over Three Star Extra last evening and request for complete texts from newspapers, please contact local newspaper editors at once with following text and arrange for its release for Monday papers. Tear sheets from your local papers carrying story requested."

Then follows the text of Summerfield's address, in which the Rees bill embodying the recommendations of Fry & Associates, a research firm employed to reorganize the Postal Department, is lauded and other bills supported by the various postal unions are condemned.

Summerfield claims the Rees bill plan would provide more incentive for postal workers, and also would give immediate increase to 400,000 of 500,000 employees. He also says it would not lower the pay of any present employee.

Postal workers assert that the bill would destroy the principles of civil service by giving the Postmaster General unlimited authority to assign employees in any manner he saw fit, and at any compensation. They also claim the bill would favor large increases for top-salary grades at the expense of lower. Letter carriers, they say, would get increases from \$10 to \$210 a year and many nothing at all.

No increase at all is provided for rural carriers, according to the unions.

The postal unions also assert that while Summerfield is correct in saying that no present employee will receive a reduction, the top salary that new employees may aspire to is cut from approximately \$4,600 to \$3,600.

Both the National Association of Letter Carriers and the National Federation of Postoffice Clerks are on record against the Rees-Summerfield proposal, as are the local chapters of the unions.

Wisconsin legislators in Washington have all promised the postal employees aid, union officials say, with the exception of Representative GLENN DAVIS, and Representative JOHN BYRNES, Republicans. The two have been reported noncommittal.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point, as a part of my remarks, an editorial entitled "Postmasters or Press Agents?", published in the *Capital Times* of April 7, 1954.

There being no objection, the editorial was ordered to be printed in the *RECORD*, as follows:

POSTMASTERS OR PRESS AGENTS?

Senator OLIN JOHNSTON, of South Carolina has charged that Postmaster General Arthur Summerfield is trying to make press agents out of postmasters and there seems to be a great deal of substance to what he says.

The manner in which Summerfield is attempting to use postmasters to get the administration viewpoint into the press was brought to the attention of the public when the *Capital Times* made inquiries about a Summerfield speech which was brought to the *Capital Times* in person Monday by the local acting postmaster, Elmo Cooper.

It turns out that this is quite a public relations stunt Mr. Summerfield has concocted. Publicity which he could not get in local papers through the wire services out of Washington can be more readily obtained if the local postmaster calls around and asks that it be printed. The Postmaster General hit upon a good public relations idea—so good that it appears that he missed his calling.

The speech which Mr. Cooper delivered to the *Capital Times* was one in which the Postmaster General plugged some very controversial legislation which he hopes to get through Congress. The National Association of Letter Carriers and National Federation of Postoffice Clerks say the legislation will destroy their civil-service protection and will make the Postmaster General a virtual dictator over the jobs of postal employees.

Most Wisconsin Congressmen, according to local representatives of the postal workers' organizations, have told the postal workers they will support them in their fight against it. Only Senator MCCARTHY, Representative BYRNES, of Green Bay, and Representative GLENN DAVIS, of this district, have refused to promise support to the employees.

Obviously, this bill is a political matter of a highly controversial nature and raises the question of whether Mr. Summerfield is not requiring postmasters to violate the Hatch Act when he orders them to serve as press agents for his speeches supporting the bill. This is a question the Senate Postoffice and Civil Service Committee should inquire into.

Are the postmasters to be press agents for the administration in Washington?

Mr. HUMPHREY. Mr. President, it is perfectly obvious to me that we must constantly improve the postal inspection service. When I was a member of the Committee on Post Office and Civil Service, I worked as diligently and as conscientiously as I was capable of doing in order to improve the Post Office Department.

I see on the floor of the Senate the distinguished junior Senator from South Carolina [Mr. JOHNSTON]. He served as chairman of the committee during the period of time when I was one of the junior members of the committee. We processed legislation as recommended by the Hoover Commission. We offered programs of reorganization. We tried to be kind and helpful to the postal employees. I do not believe there ever was a legitimate request from the Post Office Department to improve the service on which the committee did not take favorable action.

However, Mr. President, I am becoming sick and tired of hearing so much talk and pious comment about the high morality and high moral purposes of the Post Office Department and other agen-

cies, only to see the postal service being used as a political instrument, being used to glorify the Postmaster General, and being used to terrify the postal service.

Mr. President, many a small-town postmaster who has given years of good service is under investigation for no other reason than that he did not vote right. He is under investigation by the postal service, which ought to be investigating fraud and the filthy and scurrilous literature being sent through the mail, and which ought to be investigating the monetary integrity of the postal system.

Mr. President, since we have an economy administration, may I suggest that here it has a chance to save a million dollars? I thought we would cut down on the number of Federal employees. Yet the committee bill asks for an additional 150 employees. The first rule, it seems to me, is that the present 898 employees should do their job. The job they are required to do is not the job of peddling press releases for the Postmaster General, and it is not their job to try to see how much they can "get" on someone in order to remove him from his position, and to look for trouble.

Mr. President, I have received complaint after complaint about the kind of material which is being passed through the mails. I send the complaints to the Post Office Department. If there were half as much interest in trying to protect the wholesomeness of the postal service and its monetary and financial integrity as there is wasted effort in trying politically to police it, there would be no need for any more postal inspectors.

Mr. President, I do not intend to vote for another 150 Gestapo agents to oust postmasters who did not happen to be appointed by a Republican administration.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I hold in my hand a document relating to a postmistress in Illinois who has been serving with efficiency for more than 3 years and who has been a resident of the town where the post office is located. Her mother died more than a year ago, and she has been spending a great portion of her time with her father who lives on a rural free-delivery route outside the town. She maintains a legal residence, a room inside the town of which she is postmistress. The Post Office Department has charged that she does not live within the delivery zone of her post office and she should, therefore, be displaced as postmistress. The office has been visited by inspectors five separate times since March. Three of the visits were made by the same inspectors who came for a different purpose each time. On the last visit the inspector was forced to inspect her room and her clothing and to speak to her landlord.

It seems to me that there is a limit to which an inspector can go in dealing with the personal affairs of a postmaster. This woman has apparently been fulfilling her duties efficiently. She continues to have a legal residence in the

town, but, because of the death of her mother, and because her father is 81 years of age, she has to get breakfast for her father who lives on a rural free-delivery route. This is the basis which the inspectors are using to try to oust her.

Mr. HUMPHREY. I thank the Senator from Illinois. Many similar cases can be cited with respect to honored men and women of fine American communities who have served as postmasters or postmistresses. They have undergone rigid inspection by the same inspection service. Inspectors have frequently given ratings of from 80 to 95 or 98 percent, which means extraordinarily well-operated offices; but within only a few months, with a change of political administration, they receive a 50-, or 60-, or 70-point rating—the same postmaster, the same post office, the same personnel, and the same community.

Mr. MAGNUSON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MAGNUSON. Apropos of what the Senator is saying, I know of cases of inspectors who had been to a post office during the preceding month, but immediately after January 20, 1953, they were back again looking for something. I do not blame the inspectors. I suppose they were told to do that.

Mr. HUMPHREY. I thank the Senator from Washington. I am sure they were told—in fact, I know they were told—to do what they did. I know of an instance in my own State where an inspector had made an inspection of a postmaster who had never had a rating of less than 90. I think his last previous rating was 95. In February and in March 1953, all at once it dropped to 58. Something must have happened over Christmas. It was not the spirit of Santa Claus that permeated that atmosphere, either.

Mr. President, I said I wished to bring to the attention of the Senate this teletype message. I have no objection to the Postmaster General wiring postmasters or wiring postal inspectors. That is his duty. But I do have objection to his sending this kind of a message. It begins:

To: Inspectors, St. Paul Division.

It does not say, "To National Committeemen."

I read:

Postmasters, first-class offices, Minnesota, North Dakota, and South Dakota.

There is quoted below T. W. X. message received this date from the Department:

"Because of the widespread public reaction to radio broadcast over Three Star Extra last evening and request for complete texts from newspapers please contact local newspaper editors at once with following text and arrange for its release for Monday papers. Tear sheets from your local papers carrying story requested.

"Radio broadcast, Postmaster General Arthur E. Summerfield, Three Star Extra program, for April 1954.

"Thank you,

"Mr. HENLE."

Those are the first words.

Fellow Americans—

There is nothing controversial up to this point—

I want to review with all of you—and especially the half million devoted men and women who make up our Postal Establishment—a problem that affects all of us—

How much should we pay our postal workers?

Then, Mr. President, it goes on and on, and at the very end of this message, this Government document, we find, for example, that the Postmaster General says:

In conclusion let me emphasize that the Post Office Department understands and sympathizes with the hopes and ambitions of all employees for greater earnings. We appreciate—and encourage—their pride in the Postal Service. We share that pride with them and we are dedicated to the task of making a career in the Postal Service the most attractive in Government.

That is the objective of our wage and incentive proposal. I hope it will earn your approval and the approval of the Congress.

Thank you.

I point out that prior to that the Postmaster General discussed other legislation before the Congress, and asked that the Postmasters bring this message to the attention of the local newspapers. He did not send it to the postmasters, but to the inspectors—to the police. If a man has to resort to getting his message in a newspaper by sending it to the police, he is hard up for an outlet for his message.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it true that the Postmaster General referred to some 20 bills providing for an \$800 increase for postal employees?

Mr. HUMPHREY. That is correct. He said:

The bill receiving the most attention would give a flat \$800 per year increase—or 40 cents an hour or more—to every one of our half million postal employees. It would cost the American people \$400 million a year.

Since any increase given postal employees is inevitably given all other Federal employees, the total yearly costs to you may be in excess of \$1 billion a year.

Now I realize everyone wants more salary; that is a natural human desire. However, while sympathizing with this point of view, I must also live up to my responsibility as a member of President Eisenhower's Cabinet and determine what is basically fair and in the public interest.

The way to judge the reasonableness of any wage increase—it seems to me—is to measure it by two standards.

First: How much do our postal employees now receive?

Second: How does this pay compare with that of workers in private industry?

It is very interesting, Mr. President, that after the Postmaster General had spoken thus, after he had used the teletype service of the United States, the Association of Postmasters seemed to see things his way. That is very interesting. I do not know how they came to that sudden conclusion, but if a postal inspector examined a postmaster a dozen times, and 11 of those times he found the postmaster had a rating of 90, but after January 1953 the postmaster had

a rating of 60, and was under investigation, I can imagine that if the Postmaster General says, "Will you go over and see the editor and have a nice news story printed? We trust you, Mr. Postmaster, and we know you are going to see the editor. But so there will not be any doubt, will you clip out the tear sheet?", the postmaster would comply with the request.

Mr. President, that is not the work of the postal inspection service. That is the work of the local county committee, the local patronage committee. I resent the fact that today the postal service is used to transact business for the Republican Party.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Does the Senator think the fact that this message from the Postmaster General was sent at Government expense constituted an effort to influence legislation?

Mr. HUMPHREY. I not only think it constitutes such an effort, but it undoubtedly has influenced attitudes on legislation.

Mr. DOUGLAS. Does the Senator from Minnesota think the case should be referred to the Department of Justice for determination as to whether or not a criminal violation of the law has occurred?

Mr. HUMPHREY. It is my opinion that the matter should first be carefully investigated by an appropriate committee of Congress. I think that if the committee feels there is any violation, then a referral should be made.

I am not trying to pick an unnecessary battle with the Postmaster General, but I am becoming fed up with hearing this great public relations talk about how efficient the postal service is. Efficient? Has anyone ever tried to mail a letter lately, to see how efficient the service is? If ever we are to have rationing again, I would certainly hate to get my ration stamps in the mail. I would be hungry before they arrived.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. FULBRIGHT. Was it the Three-Star Extra program which was referred to in the official telegram?

Mr. HUMPHREY. I have heard of Five-Star Hennessy, but I have never heard of Three-Star Extra.

Mr. FULBRIGHT. Does the Senator know what it is?

Mr. HUMPHREY. Hennessy or Extra?

Mr. FULBRIGHT. Three-Star Extra.

Mr. HUMPHREY. Undoubtedly Three-Star Extra is a radio program. The copy which I have says: "Radio broadcast over Three-Star Extra."

Mr. FULBRIGHT. Does the Senator know what program it is?

Mr. HUMPHREY. I do not know, I regret to say.

Mr. FULBRIGHT. Is that the program sponsored by the Sun Oil Co.?

Mr. HUMPHREY. Aha.

Mr. FULBRIGHT. Has the Senator ever heard of the Sun Oil Co.?

Mr. HUMPHREY. I may say to the Senator from Arkansas there is a word at which my nostrils seem to flinch. Pew. Is not that the company?

Mr. FULBRIGHT. I think that is the company.

Mr. HUMPHREY. The Pew Oil Co.; the Pew interests.

Enough said on that subject. Let me point out another item, with which I desire to familiarize my friend the distinguished Senator from South Carolina [Mr. JOHNSTON] and my other colleagues. I have in my hand a bulletin entitled "Federation News Service," issued by the National Federation of Post Office Clerks. It read as follows:

PROPAGANDA IN OFFICIAL PUBLICATIONS

Something previously unheard of in postal history occurred on Thursday of this week when the Postal Bulletin, an official publication, was used as propaganda medium in support of the Fry proposal.

The Fry proposal is the wage proposal. I continue to read:

The national executive committee of the federation meeting yesterday condemned this action and characterized it as an effort to secure the enactment by the Congress of the highly unsatisfactory wage proposal prepared by George Fry & Associates, of Chicago.

The Postal Bulletin is an official publication which, according to the United States Official Postal Guide, part 1, Domestic, July 1, 1951, chapter XIX, article 3, is supposed to contain "current orders, instructions, and information relating to the postal service (philatelic, airmail, money order, parcel post, etc.), together with changes to the Official Postal Guide, parts 1 and 2, Manual of Instructions for Postal Personnel, and amendments to the postal laws and regulations."

The use of the Bulletin, printed and circulated at taxpayers' expense, to advance a proposal that would almost inevitably result in downgrading many postal positions with a consequent reduction in wages for many thousands of people, sets a new standard in propaganda tactics.

That is what the National Federation of Post Office Clerks seems to think about this matter.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONRONEY. Did I correctly understand the distinguished Senator from Minnesota to say that the excuse for the expensive telegraphed request to the postal inspectors was that Mr. Summerfield, the Postmaster General, had been deluged with requests from local newspapers for copies of the full text of the speech, after their editors had listened to his very stirring message?

Mr. HUMPHREY. I would simply answer the Senator's question by quoting directly from the postal teletyped message.

Mr. MONRONEY. I should like to hear it again, because I am glad someone in Washington who made a speech received such a terrific reaction that the postal service was deluged with requests for copies of the full text, and was so prompt as to telegraph the full text.

Mr. HUMPHREY. I thank the Senator from Oklahoma. What I shall quote is official. It was sent over the Govern-

ment's leased lines in the Post Office Department directly to postmasters and inspectors, and was paid for by the taxpayers. Here is what it says:

Postmasters—

That is the call to attention.

Mr. MONRONEY. That is the call by the general—the Postmaster General?

Mr. HUMPHREY. That is correct. This is from the Post Office Department in Washington to all inspectors.

Mr. MONRONEY. It is from the commander in chief of the postal service to the privates and sergeants in the service.

Mr. HUMPHREY. It is from the top officer, going down into the lower echelons. I read:

Because of the widespread public reaction—

He did not say "interest"; he said "reaction"—

to radio broadcast over Three-Star Extra last evening and request for complete texts from newspapers, please contact local newspaper editors at once with following text and arrange for its release for Monday papers. Tear sheets from your local papers carrying story requested.

Mr. MONRONEY. I wonder if this overwhelming response, which taxed the United States mails and the Western Union to carry the demand from the newspapers for the complete text, was instantaneous; whether it was the voice of the general, heard throughout the land, which prompted this vast response, or whether it was some imaginary tuning of public attention by a very high-priced, greatly expanded public-relations service, which befits the new general in charge of the postal service.

Mr. HUMPHREY. In answer to the Senator's question, I might state that the speech of the Postmaster General was made on April 2, 1954. Since the Senator from Arkansas is an expert on the Three-Star Extra program, I believe he will confirm my statement that that is an evening program. The message was datelined April 3, 1954.

Mr. MONRONEY. Then, it was instantaneous. It went like wildfire across the country, and they had to have the text.

Mr. HUMPHREY. Apparently those who were interested in the speech had to telegraph the Postmaster General, because they could not have written letters and have had them delivered so quickly. That would have been impossible.

Mr. MONRONEY. They were so anxious to have the text that they could not entrust their request to the United Press, the Associated Press, or the International News Service. They were in too big a hurry. The customary practice in 99 out of 100 newspaper offices would have been to wire back on the ticker systems of the United Press, the Associated Press, or the International News Service, and to say, "Send us the full text." But perhaps the boys who cover the INS, the AP, and the UP did not recognize the instantaneous, wildfire demand which the speech of the Postmaster General was going to create. Perhaps they were too slow in the trans-

mission of news, so it was necessary to act through the General in charge of the postal service and then through the inspectors and the postmasters.

It seems that we now have a new method of dissemination of news from Washington: All the news that is fit to print, and all the news that benefits the Postmaster General.

Mr. HUMPHREY. In case any of the editors friendly to this administration, of whom there appear to be a large number, do not seem to pick up releases, and do not get adequate coverage from the news services, the Post Office Department, through rain, snow, sleet, or hail, or whatever it may be, will use the postal teletype system to deliver the message.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GORE. Could it be that this is massive retaliation?

Mr. HUMPHREY. If it is, it is the first experience we have had with it.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota gave a free translation of the motto of the Post Office Department, which I believe appears on the New York City post office.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. "Neither snow, nor rain, nor heat, nor gloom of night stays these couriers from the swift completion of their appointed rounds."

This motto, I believe, was written by Herodotus, and was suggested for the New York Post Office by the late Charles William Elliot, then president of Harvard University.

Mr. HUMPHREY. I thank the Senator. I gave only what I might call a layman's interpretation of this important message to the postal service.

I wish to compliment the postal service, and those who work in this great branch of our Government. They have done a tremendous job under great difficulties, with ever-increasing burdens brought about by a greater volume of mail, and because of the desire of the American people to have better and better service. Our postal employees have rendered service beyond the call of duty. But I do not think it is becoming for the Postmaster General to burden the post office inspectors with a new responsibility of carrying messages from the Postmaster General to the local newspapers. I have heard about the message to Garcia, but I have never heard of the message from the Post Office Department direct to the editors through the postal inspection service.

How will Mr. Summerfield get rid of the postmasters who were appointed in Democratic days if he intends to use the inspectors to be a kind of pony-express rider to carry his latest speeches?

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Does not the Senator from Minnesota think it would be a very excellent plan if the Committee on Post Office and Civil Service would ask the Postmaster General to appear and to

state the names of the newspapers which caused this demand for his speech?

Mr. HUMPHREY. I think it would be very interesting to see just what the rating is of the Three Star Extra program when the Postmaster General appears on it. I have some idea of what the right rating might be with the appearance of what I may call the more professionally talented artists in the field of entertainment. But I cannot imagine that the public was literally tugging at the leash, restive with a desire to get a copy of the tremendous message on postal salaries. Oh, what a thrilling subject about which to talk to the people. It must have stirred the hearts of millions of people to hear about postal salaries.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator knows that, as has been pointed out, the post-office inspectors have great power over postmasters because of the power of inspection and the opportunity to prefer charges. Is it not also true that the postmasters have great power over the owners of local newspapers because of the special favors which they can extend to them in the delivery of the mail?

Mr. HUMPHREY. There is no doubt at all that there is a very close relationship between the main medium of news, the newspapers, and the main conveyor of that medium of news; namely, the post office. I am not saying that anybody brings any pressure on anyone else; I am simply saying it is certainly a rather close relationship. I can well imagine that when the local postmaster goes to the local editor and says, "I just received a message from the inspector who was here inspecting me last week. Would you mind printing this little message in your newspaper?" the postmaster will get better treatment than would the junior Senator from Minnesota if he went to the local editor. I expect he would. I hope he would—poor fellow—at least out my way.

Mr. President, I shall support the amendment of the Senator from South Carolina. I thank him for offering it. There is a good deal which needs to be said about the Post Office Department. We will get down to that at the right time. I have not had the opportunity to examine the entire report of the Committee on Appropriations as it relates to the Post Office Department.

I think it is fair to say that we have been going through a period in which the present administration has tried to use every public-relations trick in the book to give a better picture of what the Postmaster General is doing, and not what the postal employees are doing. I suggest that if the Government has money to spend on public relations, it ought to spend it in behalf of postal employees by explaining to the public what the postal employee who brings letters to their homes is doing and what a fine person he is.

I recall that last Christmas hundreds of telegrams were sent to chambers of commerce all over the country, asking about the postal service, and expressing

a desire to hear of the wonderful things the Post Office Department was doing.

Mr. President, at a later date I intend to address myself to the whole subject of the relationship between the Post Office Department and its employees. I intend to address myself to postal salaries. I do not support the recommendations made by the Postmaster General. It is very interesting to me that the recommendations which have been made with reference to postal employees fail to take into consideration the very provision that management has made in many of its collective bargaining agreements, namely, the recognition of the rise in the cost of living. I feel that the Government of the United States ought to set a fairly decent pattern of labor-management relations with its employees. Government employees are not overpaid. They are not in any way given special privileges or treatment. They are entitled to fair treatment, and fair treatment only. They are entitled to a fair wage, and a fair wage would not be provided by carrying out the recommendation of the Post Office Department.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] on behalf of himself and the Senator from Illinois [Mr. DOUGLAS] to the amendment of the committee on page 11, line 3.

Mr. FULBRIGHT. Mr. President, I wish to say a few words, and read a short letter with regard to the amendment itself. I shall support the amendment.

It seems to me to be perfectly obvious that the request for an increased number of inspectors is for no legitimate purpose of the Post Office Department. The statistics cited by the chairman of the Committee on Appropriations indicate that 2 years ago there was a backlog of only 29,000 cases, that they were increased to 43,000 last year, and that now there are 14,000 additional cases. Those figures indicate to me that the desire is to hire the additional postal inspectors in order that the inspectors may go around and check on employees for the purpose of ousting them from post office employment.

It is nonsense to suggest that there has been such a great increase in malfeasance in office. If such an increase in malfeasance has occurred it must have resulted from the new persons put into office by the present administration. However, I do not suggest that at all, and wish to leave no such implication.

I have been concerned about the small post offices which have been abolished. I shall presently read a letter which I think is typical of a number of similar letters which I have received. I think a problem is raised which is far more significant to the future of the country than the question of saving perhaps a few hundred dollars by the closing of some of the smaller post offices such as those which exist all through the State of the Senator from Mississippi, all through my State, and every other State. I think even in New England there are still many small rural post offices, around which are clustered the finest communities in the

country. They are the kind of villages we often think of as being a part of New England, where the old town hall meetings started and local communities discussed important questions. From such communities we obtain our soundest political judgment and finest citizens.

I wish now to read the letter to which I previously referred and which particularly struck me. I shall leave out the names of persons and towns, and merely refer to them as "X," because I do not wish anyone to retaliate against the poor woman who is the postmistress of the town concerned; but if any Senator should like to read the letter, he may do so. It is a genuine letter. This woman writes:

DEAR SENATOR FULBRIGHT: The post office inspector—

One of the present inspectors—

is considering the possibility of discontinuing the X post office. I am writing you to solicit your help in preventing this action, both as a community matter and for me personally. I have written the inspector, outlining the reasons why this would be a bad move. A copy of my letter to him is enclosed so that you may consider the points I have made.

As we are a country village, the mail is not dispatched the day it is picked up on the route. Therefore in all probability the route will be consolidated with one of the X routes. We are not denying the advisability of this course—the consolidation of routes—but we do contend that the post office would still serve quite a number of people much better than any rural route. I believe the office without the route would pay around \$1,000 a year. Of course, consolidating the route with one of the X routes will be a considerable saving of money, but the office alone would not cost the Department much money.

This is the part that strikes me as being important to us:

Far more important than the trifling sum to be saved is the inconvenience that will be caused to the people of this community. I have gone into this phase of the matter at length in my letter to the inspector, telling him that many of the people live from a quarter to a half mile from the route, so that transacting their financial postal matters with the carrier becomes a real hardship. The value of the service that the X post office gives to them is far out of proportion to the receipts it takes in.

This is one of the oldest communities in the county and there are still many descendants of the earlier settlers that have its welfare at heart. One of the first things that the early pioneers did was to build a log church, and there has never ceased to be a live church at X since. We also have a very good school. X has had a post office for 75 years or more, and a rural route for something like 40 years. You can well understand, therefore, what it would mean to the community to lose the post office, along with its postmark of "X."

I am concerned deeply about losing the post office for the community, and I am very frank to say that it would cause a real hardship to me personally.

I am 65 years of age. At the time the postmastership at X came up for consideration a few years ago I was a country school teacher with a small salary. Thinking that working for the Government would give me more security, I quit the teaching profession at the very time when teachers were beginning to get better salaries. I took the examination for postmaster and obtained the appointment.

I was left a widow 20 years ago, with two sons whose education was not completed. Each boy obtained an appointment to the Naval Academy and graduated in the upper ranks of his class. The older one selected the Marine Corps as his field and now is a colonel in the Marines. The younger one also graduated from Massachusetts Institute of Technology. Both were actively engaged in World War II, and the younger contracted a fatal disease while in the service, and passed away 2 years ago.

I feel confident that you will agree that the X post office should be retained and that you can exert the influence necessary so that it will not be discontinued. The entire X community and its surrounding areas, as well as myself, will be most appreciative.

Yours very truly.

Apparently one of the reasons for the requested increase in the number of postal inspectors is to enable them to examine the small post offices and try to build up cases for saving perhaps \$200 or \$500 a year, by abolishing such post offices. Already more than 1,000 small post offices have been abolished during the past year.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. How many cases did the Senator from Arkansas say are now under investigation?

Mr. FULBRIGHT. A moment ago, before the Senator from Minnesota entered the Chamber, I understood the chairman of the committee to say that one of the reasons given in the justification, in support of the request for additional inspectors, was the great backlog of undisposed cases involving shortages or other offenses arising under the postal laws. In round numbers there are approximately 41,000 cases in the backlog at the present time; but in June 1952, there were only 29,000. In other words, during the past 1½ years there has been an increase of more than 11,000 cases in the backlog or the docket of cases that are undisposed of. There are approximately 41,000 post offices. So this means that the postal inspectors are being used to scurry around and do what the letter I have read indicates the inspectors are doing in Arkansas.

I may say it is also obvious that the postal inspectors are being used to ferret out dangerous subversives in the post office service. Of course we know that Malenkov is very much interested in destroying the post office at Pea Ridge, Ark., and we want postal inspectors sent there. [Laughter.]

Mr. HUMPHREY. Has the Senator from Arkansas noticed the color of the 2-cent stamps? They are red.

Mr. FULBRIGHT. Obviously that shows Communist sympathy within the Post Office Department.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I wonder if the Senator from Arkansas has discussed with any of the other Members of the Senate the point whether the condition he has described is unique to Arkansas, or whether possibly it is a part of a universal pattern. I believe it would be wonderful to have one of the good old

Methodist testimonial meeting, in which all of us would rise and state what is going on in the postal service.

Certainly if half as much attention were paid to delivering the mail as is being paid to delivering politics in the Post Office Department, the postal service would be wonderful; there would be "a new day."

Mr. FULBRIGHT. Of course, Mr. President, I sympathize with the effort to consolidate post offices. I know that some of them have reached the point of diminishing returns, and are really too small; but certainly I do not think the post office referred to in the letter I read comes in that classification.

What I object to is the request for 100 additional inspectors if the purpose is to consolidate post offices. It makes no sense to employ additional inspectors if the undertaking is to reduce the number of post offices. Therefore it is obvious that some other reason is behind the request for additional postal inspectors—some reason other than to take care of the legitimate work of the Post Office Department. The request must be based on some activity other than the activities carried on in the past in the Post Office Department.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield to me at this point?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. I wish to have the Senator from Arkansas understand fully that there has been no complaint from me about necessary consolidations in the postal service. In fact, the Post Office Department frequently has written to my office and has pointed out the necessity of making certain consolidations, and we have cooperated.

However, I wish the Senator from Arkansas to tell us how it can be that a person in the postal service who has had an excellent record for many years is likely to turn bad in only a few weeks. How is it that such a person may have had a 90 rating in December 1952, whereas the same postal inspector who gave him that rating may have returned in January or February 1953 and may then have given the same person, in the same post office, in the same community, associated with the same postal clerks and the same rural delivery organization, a 60 rating. Why is it that some postal inspectors have said to postmasters, "We are going to get you"? I have in my possession evidence to that effect, let me say. Why is it that some postal inspectors have said to certain postmasters, "We have orders to have you removed."

This situation has developed to such an extent that the postal service is literally being made the victim of political manipulation. I am not complaining about the poor men who have the job of doing the inspecting. Some of them have had to repeat the inspection of postal workers whose performance they inspected only several years ago. Frankly, Mr. President, they have had the job of finding something wrong with the performance of those postal employees.

Although there may be some saints among the membership of the Senate, I have yet to find one. On the other hand,

if one is determined to investigate and investigate, in an effort to find something wrong, it is obvious that it is virtually possible to find a reason why no one should even be alive. However, today that pattern is being followed in State after State, as every Member of this body knows; and the postal inspectors are engaging in such tactics.

Mr. DOUGLAS. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. In referring to the backlog of cases awaiting inspection, I understand that the Senator from Arkansas obtained the figure he cited from page 175 of the House hearings. On that page appear figures showing that in 1952 there was a total caseload, for the post-office inspectors, of 175,163 cases, and that 29,949 cases were pending at the end of the year. I have made a rough computation; that means that at that time the backlog amounted to a little more than 2 months' work.

On June 30, 1953, there had been, for the year, 183,373 cases, or only approximately 8,000 cases more, and there was a backlog of 41,238—indicating that, as a matter of fact, there had been slightly fewer cases that year than in the preceding year. That backlog amounts to a little less than 3 months' work.

So the evidence seems to indicate that, at the most, the backlog had increased from a little over 2 months' work to a little less than 3 months' work. That would not seem to indicate so catastrophic an increase in the amount of unfinished business as to justify the expenditure of an added \$1 million for the employment of additional postal inspectors.

Mr. FULBRIGHT. I appreciate having the Senator from Illinois pinpoint the figures, because I had requested that information from the chairman of the committee, but it had not yet been put into the RECORD to so full an extent.

Of course we know about the nature of politics, and we expected the new administration to make some changes. However, I object to having the present administration request a very large increase in the appropriation, in order to make the changes much more widespread, and at the same time to request our support of the increase on the ground of efficiency or economy. Certainly I cannot accept such a plea. I will not vote to increase the inspection service for any such purpose. No legitimate showing has been made for the need of the additional inspectors. That is evident from the figures to which the Senator from Illinois has referred.

Mr. DOUGLAS. Would the Senator from Arkansas say that the administration wished to employ additional inspectors, not only to make a more widespread replacement of the existing postmasters, but also in order to have a more sanctimonious way of getting them out of their jobs?

Mr. FULBRIGHT. I agree. If the administration is going to fire them, the administration should fire them, and stop indulging in the pretense of having to hire additional postal inspectors

in order to make out a case for such action.

We know what the new administration will do. It will discharge a certain number of the postmasters, and it has the power to do so. But a great deal of money will be saved by not employing additional postal inspectors in connection with that procedure.

Mr. DOUGLAS. Mr. President, will the Senator from Arkansas yield further to me?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. Does the Senator from Arkansas remember that a member of the British Parliament by the name of Henry Du Pre Labouchere once said he did not mind having Gladstone have all the aces up his sleeve, but he did object to having Gladstone behave as if the Lord had put them there? [Laughter.]

Mr. FULBRIGHT. I feel the same way about the inspectors. They have the aces up their sleeves. The effect is a foregone conclusion. The Department might as well go ahead and fire the postmaster it desires to get rid of.

Mr. HUMPHREY. Has the Senator ever given thought to the possibility that we may be running short of investigating talent? There are only so many "Dick Tracys" for each thousand people. With the number of investigators we are hiring for the committees, the number of police officers we need in our communities, and the number of new inspectors we are supposed to need for every division, we may be getting down to the untrained level, the less adaptable group, for this very highly qualified service—unless the purpose is to get rid of some appointees.

One final thought—

Mr. FULBRIGHT. Perhaps some unemployment in that field is anticipated, and the department is getting ready to take care of it with new jobs.

Mr. HUMPHREY. I think it would be unfortunate to hire so many new employees now, only to dismiss them after the next election. It seems to me that would not be good tenure.

I have heard of the British Government majority providing funds for His Majesty's loyal opposition. There is a practice in politics in some areas in the world, and particularly in Great Britain, whereby money is actually appropriated for the opposition party; but in the United States I have never heard of a minority appropriating money for the majority political machine. If anyone thinks that is not what this is, let him examine the record. This proposal involves the equivalent of \$1 million of the taxpayers' money from the Congress of the United States for one purpose, and one purpose only, namely, to carry on with greater frenzy, greater rapidity, and, of course, greater efficiency, the removal of postmasters who have previously been appointed, and whose nominations were confirmed by the United States Senate. That is the ultimate purpose.

Mr. DOUGLAS. They are under civil service.

Mr. HUMPHREY. The term "civil service" is a term of the past.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from Illinois [Mr. DOUGLAS] to the committee amendment on page 11, line 3. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER] and the Senator from Nebraska [Mr. BUTLER] are absent on official business.

The Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Michigan [Mr. FERGUSON], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. HICKENLOOPER] are necessarily absent.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], and the Senator from Vermont [Mr. FLANDERS] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Ohio [Mr. BURKE], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senators from West Virginia [Mr. KILGORE and Mr. NEELY], the Senator from North Carolina [Mr. LENNON], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Virginia [Mr. BYRD], the Senator from Iowa [Mr. GILLETTE], the Senator from Arizona [Mr. HAYDEN], the Senator from Colorado [Mr. JOHNSON], and the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL] are unavoidably detained.

The Senator from Nevada [Mr. McCARRAN] is absent by leave of the Senate. The Senator from Alabama [Mr. SPARKMAN] is necessarily absent.

I announce further that if present and voting, the Senator from Iowa [Mr. GILLETTE], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from North Carolina [Mr. LENNON] would each vote "yea."

The result was announced—yeas 26, nays 44, as follows:

YEAS—26

Chavez	Hill	Magnuson
Clements	Holland	Mansfield
Daniel	Humphrey	McClellan
Douglas	Jackson	Monroney
Frear	Johnson, Tex.	Morse
Fulbright	Johnston, S. C.	Murray
Gore	Kennedy	Pastore
Green	Lehman	Smathers
Hennings	Long	

NAYS—44

Alken	Hendrickson	Purtell
Barrett	Hunt	Robertson
Beall	Ives	Saltonstall
Bennett	Jenner	Schoeppel
Bowring	Knowland	Smith, Maine
Bridges	Kuchel	Smith, N. J.
Bush	Langer	Stennis
Butler, Md.	Malone	Thye
Case	Martin	Upton
Cooper	Maybank	Watkins
Cordon	McCarthy	Welker
Dirksen	Millikin	Wiley
Duff	Mundt	Williams
Dworshak	Payne	Young
Goldwater	Potter	

NOT VOTING—25

Anderson	Ferguson	Kilgore
Bricker	Flanders	Lennon
Burke	George	McCarran
Butler, Nebr.	Gillette	Neely
Byrd	Hayden	Russell
Capehart	Hickenlooper	Sparkman
Carlson	Johnson, Colo.	Symington
Eastland	Kefauver	
Ellender	Kerr	

So the amendment offered by Mr. JOHNSTON of South Carolina for himself and Mr. DOUGLAS to the committee amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 11, line 3.

The amendment was agreed to.

The next amendment was, on page 14, line 17, after the word "purposes", to insert "of which not to exceed \$4,000,000 shall be available for improved lighting, color, and ventilation for the specialized conditions in workroom areas."

The amendment was agreed to.

The next amendment was, under the heading "Title III—Government Corporations—Administrative Expenses of Liquidating the Reconstruction Finance Corporation," on page 17, after line 12, insert:

Not to exceed \$50,000 of the funds available pursuant to section 409 of the Federal Civil Defense Act of 1950 (50 U. S. C. App. 2261), shall be available during the current fiscal year for administrative expenses necessary to carry out the functions, powers, duties, and authority of the Treasury Department under said section.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. KENNEDY. Mr. President, referring to page 12 of the bill, I wonder whether the distinguished chairman of the committee can confirm my understanding that no money in the Post Office appropriation for transportation is intended for use to pay for commercial air transport of military mail between the United States and foreign countries.

Mr. BRIDGES. That is correct. None of the funds of the Post Office Department would be used for paying for such transportation.

Mr. KENNEDY. The answer of the distinguished Senator is in accordance with a letter which Mr. Summerfield wrote to the Department of Defense last year.

Mr. BRIDGES. That is correct.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. FULBRIGHT. Was anything said in the committee, or did the committee receive any recommendation, with regard to the continuation of the tin smelter plant in Texas? Perhaps it might have arisen in the discussion of the Reconstruction Finance Corporation's appropriation.

Mr. BRIDGES. I believe it was under discussion in another bill.

Mr. SALTONSTALL. Mr. President, if the Senator from New Hampshire will yield, I believe I can answer the question. At the present time there is before the Committee on Armed Services a resolution offered by the Senator from Texas, the distinguished minority leader [Mr.

JOHNSON]. A message came from the Budget Director today with relation to the tin smelter problem in Texas. Under present law the smelter would continue until 1956. The President's message recommends that it be closed on July 1 of this year. However, accompanying the message is a letter from the Administrator of the GSA, Mr. Mansure, making certain suggestions regarding the leasing or the possible sale of the plant. A subcommittee of the Committee on Armed Services has been set up to hear that matter. We expect to go into it when the Senator from Texas returns next Wednesday. It is not a question of appropriations in any event, as the money would come out of the RFC.

Mr. FULBRIGHT. I should like to inquire how the Committee on Armed Services obtained jurisdiction of the matter. It has always been considered by the Committee on Banking and Currency. On what theory is the Committee on Armed Services handling it?

Mr. SALTONSTALL. On the ground of stockpiling.

Mr. FULBRIGHT. Stockpiling what?

Mr. SALTONSTALL. Tin, which is a strategic material.

Mr. FULBRIGHT. I wish to say for the information of the Senate that I have heard from a responsible private company which is interested in this smelter. I believe it would be a great mistake to close the tin smelter if a private company with its own money is willing to operate it.

Mr. MAYBANK. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I do not have the floor.

Mr. BRIDGES. I yield to the Senator from South Carolina.

Mr. MAYBANK. I wish to address the former chairman of the subcommittee that handled the RFC matter. That subcommittee went all through this subject, and the Committee on Banking and Currency considered it over a period of years. The Committee on Banking and Currency approved proposed legislation and, through the RFC, negotiations were carried on. Witnesses appeared before the Committee on Banking and Currency only last month. Yet all of a sudden the subject matter is transferred from the Committee on Banking and Currency to the Armed Services Committee. I am sorry the senior Senator from Indiana [Mr. CAPEHART] who is chairman of the Committee on Banking and Currency is not present.

I want to protest the reference to the Committee on Armed Services, and I shall ask for a ye and nay vote as to which committee is to handle the subject as soon as the Senator from Indiana returns. We have been through this matter for 2 years. Why should it be referred to the Committee on Armed Services? The Senator from Arkansas is completely right.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. I may be wrong, but I do not quite understand how the tin smelter got into the Treasury-Post Office appropriation bill discussion. We

were about ready to vote on the final passage of the bill. I hope Senators will permit the Senate to vote on the final passage of the appropriation bill. Is there any item in the Treasury-Post Office appropriation bill that concerns a tin smelter?

Mr. FULBRIGHT. I do not believe the Senator heard me. I referred to an item for the Reconstruction Finance Corporation, which owns the tin smelter. My only interest is that a great mistake may be committed by closing the tin smelter prematurely, because I know a private company is interested in purchasing it if it can obtain it on a reasonable basis. I understand that the Government is to close it down by June of this year, and I believe it would be a great mistake to do so. Therefore this is a good opportunity to bring the matter to the notice of the Senate.

Mr. BRIDGES. Mr. President—

Mr. MAYBANK and Mr. JOHNSON of Texas addressed the Chair.

Mr. BRIDGES. Mr. President, I yield first to the Senator from South Carolina.

Mr. MAYBANK. I appreciate the Senator's yielding to me. I merely wish to say that the tin smelter has nothing to do with the Treasury-Post Office appropriation bill, but if it had not been for the Committee on Banking and Currency investigating the RFC loan on the tin smelter and the Government's witnesses coming before us, probably the tin smelter already would have been shut down.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more statement?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. I shall be glad to discuss this question with the Senator from Arkansas, either privately or publicly, but I may say that the leasing to a private company or a possible sale to a private company is what we had in mind to discuss and consider in the Armed Services Committee. We realize there is a difference of opinion as to whether the matter should go to the Banking and Currency Committee or to the Armed Services Committee. Previously it went to the Armed Services Committee. The last time, it went to the Committee on Banking and Currency. It is now before the Armed Services Committee in connection with the subject of strategic stockpiling, and the question the Senator brings up is being considered, because the minute the smelter is closed down it is my understanding that we shall have lost the plant.

Mr. FULBRIGHT. Does the Senator assure the Senate that before the matter is closed the Senate will have an opportunity to consider the resolution?

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JOHNSON of Texas. It is the position of the Senator from Texas, and, I think, the position of other Senators, that the smelter cannot be closed except by an act of Congress.

Mr. FULBRIGHT. I want to be sure that it will be legally closed.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. SALTONSTALL. We have the problem of deciding whether to adopt the motion or not to adopt it. If we do not adopt it, we must keep on stockpiling. I shall be glad to talk it over with the Senator from Arkansas.

Mr. FULBRIGHT. I am informed that the smelter has ceased to purchase any more ore. It will close for lack of any ore on which to operate unless some action is taken by the Senate.

Mr. DOUGLAS. Mr. President, will the Senator from New Hampshire yield for one more question regarding tin?

Mr. BRIDGES. I have the floor, and the question has nothing to do with this bill. But I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not true that this tin refinery is the only one in the Western Hemisphere?

Mr. SALTONSTALL. I believe that is true, and it is also the largest one in the world.

Mr. DOUGLAS. If it should close down we would be dependent upon the tin smelters of England.

Mr. SALTONSTALL. And of Holland.

Mr. STENNIS. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. STENNIS. What is there in the bill with reference to tin smelting?

Mr. BRIDGES. Nothing.

Mr. FULBRIGHT. There is something with reference to the Reconstruction Finance Corporation.

Mr. STENNIS. There is nothing in the bill with reference to the tin smelter.

Mr. MAYBANK. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MAYBANK. I have been around the Senate for a long time and I have heard about the RFC being abolished. By this bill we are increasing appropriations for the RFC. We shall vote on it in a few moments. The increased RFC appropriations are for the purpose of looking after civilian-defense hospitals, not with reference to a tin smelter. A little over a year ago we were asked to abolish the RFC. I do not think the Senator from Mississippi was in favor of abolishing it.

Mr. STENNIS. No.

Mr. MAYBANK. This bill has very much to do with the RFC.

Mr. MONRONEY. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MONRONEY. I have been trying my best to keep in alignment the utterances of the Postmaster General through his highly skilled, highly paid, and highly organized press corps, in stating that he has been saving the country a million dollars a day in the operation of the Post Office Department. Once in a while he makes it a million dollars a day for every working day. Something has been said about \$200 million. I find that the \$200 million about which we have been reading has shrunk to about \$16 million for the whole year. I wonder if the Senator from New Hampshire can

explain how these mathematics work out, because I am sure the Postmaster General would not deliberately try to mislead the public. He says he has been saving \$200 million a year, and I should like to understand the mathematics.

Mr. BRIDGES. In the bill as reported by the committee the amount is under the appropriation for the fiscal year ending in 1954 by \$16,854,650. How that is justified so far as the saving of \$200 million is another matter.

Mr. MONRONEY. The Senator is chairman of the Appropriations Committee. If there had been a saving of \$200 million, it certainly would have come to light somewhere in the hearings, would it not?

Mr. BRIDGES. I did not conduct the hearings. I am handling the bill as chairman of the full committee.

Mr. MONRONEY. So we can say \$16,854,650, and not \$200 million.

Mr. MAGNUSON. Mr. President, I should like the floor for approximately 3 minutes, if the Senator from Oklahoma has concluded.

The PRESIDING OFFICER. The Senator from Washington may proceed.

Mr. MAGNUSON. I invite the attention of the Senator from Oklahoma to a few remarks I wish to make before the bill is passed.

I think the RECORD should be clear that the Postmaster General appeared before our subcommittee and in his first presentation made reference to the great amount of savings which had been instituted since he has been in office.

As the testimony proceeded and certain figures were used quite loosely, as pointed out by the Senator from Oklahoma, we found that the amount requested as compared to the appropriations for the fiscal year 1954 made a difference of approximately \$16 million. But I could not see even \$16 million savings, because in the past year, regardless of all the speeches and testimony regarding savings, we relieved the Post Office Department of \$80 million when we abolished the two mail deliveries a day. We relieved it of \$79 million in connection with airmail. The Post Office Department was also relieved of the penalty and frank mail, amounting to \$36 million. So I asked the Postmaster General, at page 93 of the hearings:

So you do have almost \$200 million, approximately, there in the past 3 years that might have been for you to struggle with in getting these deficits down.

So the Post Office Department has been relieved of \$200 million. If we add that to the figures that normally other Postmasters General submitted, it will be found that there have been no savings in the Post Office Department.

Mr. MONRONEY. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. MONRONEY. Instead of saving \$200 million, we are actually paying \$200 million more than we were under the previous administration.

Mr. MAGNUSON. We are taking the money out of another pocket.

I wanted to make this brief statement. I am not opposing the appropriation.

There are about five items in the Post Office Department which will sustain a deficit, the largest of which is second-class mail, in the amount of approximately \$240 million. The Postmaster General testified that he had several ideas as to how to cope with the deficit. Service has been reduced; management concerns and efficiency experts have been hired, and so forth. But I think the RECORD should show that the extent of the savings which the Postmaster General believes he will be able to make—but which do not show, according to my calculations, on these figures at all—are to be directed at a reduction in the number of fourth-class post offices and an increase in the rates of first-class mail. As to the second item, a bill has been proposed in the House, although I do not know whether it has been introduced in the Senate, which affects first-, third-, and fourth-class mail to a much greater extent than it does second-class mail, which is the subject of a deficit of \$240 million. The proposed rate increase would affect first-class mail to the extent of about \$150 million. All the proposals are included in the testimony of the Postmaster General.

But apparently the policy is to be to try to increase the rates in order to reduce the postal deficit, which apparently is becoming larger, as the Postmaster General testified that receipts were off about \$100 million. However, the deficit will become larger next year.

It is proposed to reduce the deficit by closing fourth-class post offices and by raising the rates, percentagewise, on first-, third-, and fourth-class mail, while not touching second-class mail rates at all. The subject of second-class mail rates is now under study, according to the Postmaster General.

Whether that is right or wrong, I do not know. But I thought that before the bill was passed, the record should be made straight with respect to the policy of the Post Office Department.

Mr. BRIDGES. Mr. President, I now wish to address my remarks to the distinguished junior Senator from Oklahoma [Mr. MONRONEY]. The Senator asked me a question, and I answered him on the basis of budget figures from which I quoted.

I believe the Senator was referring to what the Postmaster General said about the \$200 million reduction in the postal deficit, the difference between the expenditures and the revenues. That statement may be found on page 4 of the report. It does not state the figure \$200 million, but it shows that the deficit for the current year is \$437 million. The estimated deficit for 1955 is \$329 million, or, as I figure it roughly, a reduction of the deficit, between revenue and expenditures, of about \$108 million.

Mr. MONRONEY. That would occur next year. In other words, it is a suggestion that this is a reduction which will be effected through the new highly paid, well-organized publicity service, and which will result in a saving of a million dollars a day, or, as some say, a shrinking of \$200 million a year.

According to the record, the estimated postal deficit is still pretty high, about

\$437 million. It is hoped to reduce it next year. I do not know whether that will involve an increase in the first-class mail rate, which the distinguished Senator from Washington [Mr. Magnuson] was speaking about, and which has not yet occurred, and an increase in third- and fourth-class mail rates, which has not yet occurred. Other anticipated revenues are still in the nebulous future.

Mr. MAGNUSON. It was the testimony of the Postmaster General that the deficit was expected to be reduced by that method, but the second class mail matter, which now causes the greatest deficit, is not even proposed to be touched.

Mr. MONRONEY. The point about which I was asking the distinguished Senator from New Hampshire was whether there has been, in fact, a saving in the operation of the Post Office, as has been stated by the Postmaster General. Perhaps there are some fine weasel words, which are used by the high-powered publicity writers, which have a different meaning from their ordinary meaning. But certainly the public has been led to believe that there was a saving of many millions of dollars in the operation of the Post Office last year. The figures in the appropriation bill do not bear out that assertion. In fact, they do not come anywhere near bearing out any material saving comparable to that amount.

Mr. BRIDGES. I quote from Mr. Summerfield's testimony, which appears on page 33 of the hearings, as follows:

Mr. SUMMERFIELD. I am sure everybody in the Congress and the taxpayers of the country are quite concerned with the whole problem of the Post Office deficit which, for a number of years, has been climbing at a rapidly accelerated rate until it reached the point where in this current fiscal year it was anticipated the deficit was to be \$746 million.

Obviously, anyone charged with the responsibility to manage an institution that is costing the taxpayers, particularly when it is a part of the Government and an agency of the Government that does have a service it sells for a price, something had to be done about it.

In a letter to me, dated January 25, 1954, Mr. Summerfield said:

The predecessor Postmaster General estimated the deficit of the Post Office Department for fiscal 1954 at \$746 million in his initial budget presentation. This was reduced by \$78 million in President Truman's budget message. As part of the new administration, we undertook a restudy of the budget requirements and, with the cooperation of the Bureau of the Budget, voluntarily reduced our request by a further \$72 million. Congress took another \$2 million off the figures, with the result that we undertook to operate the Department for \$152 million less than our predecessors estimated was necessary. We intend to live within these figures and do not anticipate that any deficiency appropriations will be necessary. Beyond this we have thus far accomplished further savings of \$18.2 million.

That shows very clearly that for the current year the Postmaster General is operating at \$152 million below the budget for this year, as prepared by former Postmaster General Donaldson, under the administration of President Truman.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. I think there is a very simple explanation for that. Just as Postmaster General Donaldson was going out of office, he petitioned the Interstate Commerce Commission for an increase in fourth-class rates of more than \$160 million a year. In any comparison between the respective administrations, that should be taken into consideration. Moreover, Mr. Summerfield no longer is saddled with the payment of airline subsidies of over \$80 million.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MAGNUSON. I think the Senator from New Hampshire will agree with me on my figures that the Post Office Department was relieved of approximately \$200 million which normally the Post Office Department would have been obligated to pay.

Mr. BRIDGES. Yes; I agree with that statement.

Mr. MAGNUSON. The Postmaster General himself testified to those figures. When \$200 million is taken out of the increase which the Senator from South Carolina has spoken of, I do not think any savings at all will be found in the budget, unless my calculation is incorrect.

SEVERAL SENATORS. Vote! Vote!

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. FULBRIGHT. I do not quite understand the situation with reference to the Reconstruction Finance Corporation. I thought a bill was passed to provide for the final demise of the RFC as of June 30 of this year.

Mr. BRIDGES. Pursuant to section 601 of the Economy Act (31 U. S. Code 686), the Secretary of the Treasury engaged the services and facilities of the RFC to perform for the Secretary work and services in connection with his responsibilities under section 409 of the Federal Civil Defense Act of 1950 which were vested in him pursuant to section 104 of the RFC Liquidation Act. Notice of this action appeared in the Federal Register, volume 18, No. 203, page 6594, October 16, 1953.

A total of 9 loans, amounting to \$6,033,000, has been authorized under section 409 of the Federal Civil Defense Act of 1950. All of them were for the purpose of assisting in the construction of hospitals. The outstanding balance on these loans is presently about \$2,050,000, and there is \$3,568,000 yet to be disbursed under outstanding commitments. In addition, there are one loan and two tentative commitments which have been approved as deferred participations in bank loans. In these cases, there will be no disbursement of Treasury funds unless the banks call for the Government's share to be taken up.

The balance of \$2,050,000 referred to is caused by the administration of this section of the RFC, as provided in the Liquidation Act, relating to loans to his-

pitals and hospital construction. It is something with which I had nothing to do. Apparently it was the result of action taken by the Committee on Banking and Currency, when the Senator from Arkansas was a member of that committee, so I assume he is familiar with the situation.

Mr. FULBRIGHT. I may say to the Senator from New Hampshire that I opposed the bill to liquidate the RFC. As the Senator may recall, I did everything I could to prevent its liquidation. But the bill was passed, and I understood the RFC was to be liquidated. If it was to be liquidated I hoped it would be done in an orderly manner, and would not thereafter be used for some entirely irrelevant purpose.

Now \$3,500,000 has been provided for the administrative expense of liquidating the RFC. I understood that its activities would stop, and that any funds which were left over would be transferred. Authority was given to the administration to transfer the funds to other established agencies, such as the Treasury Department or the Department of Commerce.

I have an interest in seeing to it that the reputation of the RFC is preserved to the end, so that when its activities have been concluded, its record can be examined to see what the experience of the country was with the RFC.

I do not like to see the RFC dragged into a wholly irrelevant function, for a purpose for which it never was intended. Certainly it never was intended to have the RFC build hospitals for civil defense.

Mr. BRIDGES. As I understand, this item was approved by the President when the Democrats were in control of the Senate and the House. So on the shoulders of the other political party rests the responsibility.

Mr. FULBRIGHT. I thought the bill to abolish the RFC was passed last year.

Mr. BRIDGES. This authorization was provided in the Civil Defense Act of 1950.

Mr. FULBRIGHT. We are talking about different bills. I am talking about the bill to abolish the RFC. Was that not passed last year?

Mr. BRIDGES. Yes, that was passed last year.

Mr. FULBRIGHT. Then why is the RFC not abolished? Why are hospitals being built under the RFC? That is what confuses me. The bill will apparently let that function be continued indefinitely. I thought the bill which was passed provided for the abolition and liquidation of the RFC.

Mr. MAYBANK. Mr. President, if the Senator from New Hampshire will yield, I should like to say to the Senator from Arkansas that it was made perfectly clear on the floor of the Senate that it would not be abolished.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 7893) was read the third time, and passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist upon its amendments, requests a conference with the House of Representatives thereon, and that conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. BRIDGES, Mr. McCARTHY, Mr. SALTONSTALL, Mr. CARLSON, Mr. KILGORE, Mr. MAYBANK, and Mr. McCLELLAN conferees on the part of the Senate.

NATURALIZATION OF FORMER CITIZENS OF THE UNITED STATES

Mr. KNOWLAND. Mr. President, for the information of the Senate, it is desired to have the Senate consider two bills, both of which I believe to be non-controversial, and both of which were discussed with the minority leader, and at least one of which had already passed the Senate by unanimous consent and was reconsidered only a few days ago, as Senators may recall, because I had not been notified in advance, and there is in effect in the Senate the practice of giving at least 1 day's notice. The bill was brought up by the senior Senator from Nevada [Mr. McCARRAN] during the absence of both the minority and the majority leaders. I believe the Senator from Louisiana [Mr. LONG] was acting minority leader at the time, and the Senator from Maryland [Mr. BUTLER] was acting in my place at the time. It was generally agreed that it would be agreeable to put the bill back on the calendar so that there would be 1 day's notice. The Senator from Utah [Mr. WATKINS], the author of the bill, is present.

Mr. President, I move that the Senate proceed to consider calendar number 1172, Senate bill 1303, a bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in occupied Japan.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 1303), which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That a person who has lost United States citizenship solely by reason of having voted in any political election or plebiscite held in Japan between September 2, 1945, and April 27, 1952, inclusive, and who has not, subsequent to such voting, committed any act which, had he remained a citizen, would have operated to expatriate him, and is not otherwise disqualified from becoming a citizen by reason of section 313 or 314, or the third sentence of section 318 of the Immigration and Nationality Act, may be naturalized by taking, prior to 2 years after the date of the enactment of this act, before any naturalization court specified in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the applicable oath prescribed by section 337 of such act. Certified copies of such

oath shall be sent by such court or such diplomatic or consular officer to the Department of State and to the Department of Justice. Such oath of allegiance shall be entered in the records of the appropriate naturalization court, embassy, legation, or consulate, and upon demand, a certified copy of the proceedings, including a copy of the oath administered, under the seal of the naturalization court, embassy, legation, or consulate, shall be delivered to such person at a cost not exceeding \$5, which certified copy shall be evidence of the facts stated therein before any court of record or judicial tribunal and in any department or agency of the Government of the United States. Any such person shall have, from and after naturalization under this act, the same citizenship status as that which existed immediately prior to its loss: *Provided*, That no such person shall be eligible to take the oath prescribed by section 337 of the Immigration and Nationality Act, unless he shall first take an oath before any naturalization court specified in subsection (a) of section 310 of the Immigration and Nationality Act, or before any diplomatic or consular officer of the United States abroad, that he has done nothing to promote the cause of communism. Naturalization procured under this act shall be subject to revocation as provided in section 340 of the Immigration and Nationality Act, and subsection (f) of that section shall apply to any person claiming United States citizenship through the naturalization of an individual under this act.

Mr. KNOWLAND. Mr. President, the Senator from Utah would like to make a brief explanation of the bill.

Mr. WATKINS. Mr. President, the purpose of the bill, as amended, is to enable persons who lost their United States citizenship by reason of voting in a political election or plebiscite held in Japan between September 2, 1945, and April 22, 1952, the period of occupation by American military personnel, to regain their citizenship. The same type of bill was passed regarding citizens who voted in the Italian election.

The Japanese involved are American citizens who happened to be in Japan, and our military authorities urged them during that period to vote. An election was held in which Communists were running for office, and the persons in question voted.

We have restored citizenship to Italian-Americans who voted in Italy, and the bill in question is for a similar purpose, and involves the same principles.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. STENNIS. How many persons are involved in the bill?

Mr. WATKINS. I am informed that about 2,000 persons are involved.

Mr. STENNIS. Are they living in this country now?

Mr. WATKINS. No; I think most of them are still in Japan. They have not been able to come back to this country because they lost their citizenship by voting in the election referred to. Otherwise, they could have returned.

Mr. STENNIS. I understood the Senator to say that some of the persons in question are already in this country. Am I correct in my understanding that such persons are not in this country because they voted in the election to which the Senator from Utah referred?

Mr. WATKINS. The Senator is correct.

Mr. STENNIS. Were they formerly citizens of the United States?

Mr. WATKINS. Yes. The only obstacle that has interfered with their returning to the United States has been their voting in the election to which I called attention.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. The bill was considered by the Committee on the Judiciary, and, as I remember, both the Democratic and the Republican Members were unanimously in favor of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EMERGENCY LOAN AUTHORITY

Mr. KNOWLAND. Mr. President, there is one additional bill about which I spoke to the minority leader, Calendar No. 1280, Senate bill 3245. I move that the Senate proceed to the consideration of that bill.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3245) to amend the act of April 6, 1949, as amended, by the act of July 14, 1953, to improve the program of emergency loans, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 1, line 3, after the word "That", to strike out "section 2 (a) of the act of April 6, 1949 (63 Stat. 43), as amended, is further amended by adding at the end of the first sentence of said subsection the following: "Until December 31, 1954, the Secretary is also," and to insert "until December 31, 1954, the Secretary is"; on page 2, line 4, after the word "program", to insert "or under the act of April 6, 1949,"; in line 5, after the amendment just above stated, to strike out "under other provisions of this act,"; in line 6, after the word "responsible," to strike out "sources." and insert "sources"; after line 6, to insert a new section, as follows:

SEC. 2. Loans under this act shall (1) be made at such rates of interest and on such terms and conditions as the Secretary shall prescribe for such area or areas, and (2) be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

And after line 15, to insert a new section, as follows:

SEC. 3. The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), for making loans under this act, and for administrative expenses in connection with such loans. Sums received by the Secretary from the liquidation of loans

made under this act shall be added to and become a part of the said revolving fund.

So as to make the bill read:

Be it enacted, etc., That until December 31, 1954, the Secretary is authorized to make emergency loans for any agricultural purposes, except for refinancing of existing indebtedness, aggregating not to exceed \$15 million to farmers and stockmen in any area or areas where the Secretary determines that there is a need for such credit which cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular programs or under the act of April 6, 1949, or other responsible sources.

SEC. 2. Loans under this act shall (1) be made at such rates of interest and on such terms and conditions as the Secretary shall prescribe for such area or areas, and (2) be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

SEC. 3. The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), for making loans under this act, and for administrative expenses in connection with such loans. Sums received by the Secretary from the liquidation of loans made under this act shall be added to and become a part of the said revolving fund.

Mr. WELKER. Mr. President, I wish to make a brief statement at this time by way of explanation of S. 3245, a bill to provide emergency loans to farmers and stockmen.

The history of this bill, so far as the junior Senator from Idaho is aware, is quite simple. Farmers in many areas lost heavily on their 1953 crop, and the same can be said of stockmen. Banks have been unable to provide these people with adequate credit for production, subsistence, refinancing, and other basic purposes. The Federal Government has been called upon to provide this credit, principally through the Farmers Home Administration.

In my own State of Idaho, the Farmers' Home Administration and other loan agencies have expended a total of approximately \$6 million in farm loans. Agriculture Department figures estimate that in my State alone at least another \$2 million is urgently needed, if many small family-unit farms and veteran farmers just getting a start are not to be severely hurt. The Farmers' Home Administration has exhausted its loan funds totally.

Conferences with officials of the Agriculture Department credit services resulted in the submission of a bill for consideration of the Senate Committee on Agriculture and Forestry. Hearings were held on this bill, S. 3245, and a definite need was established for what it provided. In plain language, all it does is permit the Secretary of Agriculture to use money from the disaster loan revolving fund for economic distress loans to farmers. The Secretary would be authorized to make loans in any areas where he found a need for agricultural credit not capable of being met by private banking institutions, and in a total

amount not to exceed \$15 million. States such as Colorado and Maine and border areas in some other adjoining States must be included along with Idaho.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. WELKER. I yield.

Mr. STENNIS. Did the Senator say the bill applies only to disaster loans?

Mr. WELKER. No. It would allocate \$15 million from the disaster fund to emergency relief of those who cannot under any circumstances obtain credit from a bank and who in many States are destitute.

I should like to say that in the event a man desires more money, under no circumstances can he borrow in excess of \$20,000. The original top limit was \$15,000, and I can assure my colleagues that in my State, in the State of Colorado, and in the other States with which I am familiar, that amount will be adequate.

Mr. STENNIS. The Senator has named some States. The bill applies to the entire country, does it not?

Mr. WELKER. Yes, it does, because the fund of the Farmers Home Administration has been exhausted. Our aim is to enable veterans who are farmers, who served their country, who have not established credit, as the old-time farmer has, to get a start and prosper.

Mr. President, that is practically all I have to say about the bill. Senators know that the Secretary will prescribe the rate of interest and the terms and conditions. All loans must be secured.

Because it was felt that the original wording of the bill was somewhat broad and lacking in specific definition of the limits on any one loan, I prepared an amendment which would remove objections on that score. The amendment would do the following:

First. Make loans available only to individuals or partnerships actively engaged in the operation of farms or ranches.

Second. It would set a limit of \$15 million as the total.

Third. It would set a limit of \$20,000 in total indebtedness in the case of any one borrower.

Fourth. All loans would be made at rates of interest and on such terms and conditions as the Secretary shall prescribe for such areas.

Fifth. All loans must be secured by the personal obligation and available security of the borrower.

Because of the lateness of the hour, and the need of several thousand farmers to get credit without delay, I urge the Senate to give its favorable consideration to S. 3245.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide emergency credit."

Mr. WELKER subsequently said: Mr. President, inadvertently, in trying to expedite action on Senate bill 3245, I

omitted to have the Senate act on the amendment I had discussed. Therefore, I now ask unanimous consent that the vote by which the bill was engrossed for a third reading, read the third time, and passed, be reconsidered; and if that is done, I shall submit the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho? Without objection, the vote by which the bill was ordered to be engrossed for a third reading, read the third time, and passed, is reconsidered.

Mr. WELKER. Mr. President, I now submit my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out lines 7 through 15, and insert in lieu thereof the following:

SEC. 2. Loans under this act shall (1) be made only to individuals or partnerships who are actively engaged in the operation of farms or ranches; (2) not exceed \$15,000 in the case of any one loan; (3) not be made to any one borrower so as to increase the total indebtedness of such borrower under this act to an amount in excess of \$20,000 (including principal and accrued interest); (4) be made at such rates of interest and on such terms and conditions as the Secretary shall prescribe for such area or areas; and (5) be secured by the personal obligation and available security of the producer or producers.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. WELKER].

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3245) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That until December 31, 1954, the Secretary is authorized to make emergency loans for any agricultural purposes, except for refinancing of existing indebtedness, aggregating not to exceed \$15 million to farmers and stockmen in any area or areas where the Secretary determines that there is a need for such credit which cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular programs or under the act of April 6, 1949, or other responsible sources.

SEC. 2. Loans under this act shall (1) be made only to individuals or partnerships who are actively engaged in the operation of farms or ranches; (2) not exceed \$15,000 in the case of any one loan; (3) not be made to any one borrower so as to increase the total indebtedness of such borrower under this act to an amount in excess of \$20,000 (including principal and accrued interest); (4) be made at such rates of interest and on such terms and conditions as the Secretary shall prescribe for such area or areas; and (5) be secured by the personal obligation and available security of the producer or producers.

SEC. 3. The Secretary may utilize the revolving fund created by section 84 of the Farm Credit Act of 1933, as amended (12 U. S. C. 1148a), for making loans under this act, and for administrative expenses in connection with such loans. Sums received by the Secretary from the liquidation of loans made under this act shall be added to and become a part of the said revolving fund.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 20, 1954
For actions of May 19, 1954
83rd-2nd, No. 92

CONTENTS

Appropriations.....1,2,9,10	Flood control.....2	Personnel.....3
Auditing.....1	Forests & forestry.....8	Prices, support.....18
Coffee.....17	GAO.....1	Research.....5,18,19
Committees.....7	Grain.....15	Sec. 32 funds.....19
Cooperatives.....12	Housing.....16	Soil conservation.....22
Electrification.....4	Lands, reclamation....6,20	Tariff rates.....13
Employee's insurance.....3	transfer.....8	Trade foreign.....13
Fisheries.....19	Loans, farm.....12,16	Transportation.....11
Farm program.....18	Nominations.....5	TVA.....1
Flammable fabrics....14,21		

HIGHLIGHTS: Senate passed independent offices appropriation bill. House concurred in Senate amendments to Treasury-Post Office appropriation bill. House committee reported legislative-judiciary appropriation bill. Senate committee reported Army civil appropriation bill. Both Houses received President's recommendation for life insurance for Government employees. Sen. Aiken and Rep. Hope introduced bills to authorize banks for cooperatives to issue consolidated debentures.

SENATE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8583. Senate conferees were appointed. Rejected amendments by Sens. Cooper and Kefauver to increase the amount for TVA. Rejected an amendment by Sen. Douglas to provide \$500,000 to GAO for efficiency audits pursuant to the Legislative Reorganization Act. (pp. 6433-48, 6458-63.)
2. ARMY CIVIL APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8367, which includes flood-control items (S. Rept. 1373)(p. 6429).
3. EMPLOYEES' INSURANCE. Both Houses received the President's message recommending group life insurance for Federal employees; to Post Office and Civil Service Committees (H. Doc. 398)(pp. 6468, 6485). The message includes the following statement: "Excepting those excluded by their own request or for administrative reasons, this plan would provide all civilian employees of the legislative, executive, and judicial branches with group life insurance approximately equal in amount to 1 year's salary during active service prior to age 65, and with reduced benefits thereafter. The amount would be doubled if the employee should die by accidental means. Employees retiring on an immediate annuity, after 15 years of service, would have insurance protection without further cost to them. Others terminating their employment would be able, without medical examination, to convert their insurance to individual policies at rates applicable to their attained age... The cost of the plan would be shared by the Government and participating employees, each agency paying from existing appropriations about half of its employee's costs."

4. ELECTRIFICATION. Passed without amendment S. 3090, to authorize the transmission and disposition of electric energy generated at Falcon Dam on the Rio Grande (pp. 6463-8).
5. NOMINATIONS. Received the nominations of the following to the National Science Board, National Science Foundation: Donald Hamilton McLaughlin, George Wilhelm Merck, Joseph Chandler Morris, William Vermillion Houston, James Bernard Macellwane, Douglas Whitaker, Theodore Martin Hesburgh, and Roger Adams (p. 6471).
6. RECLAMATION. Both Houses received Interior's report certifying that an adequate soil survey and land classification has been made of lands to be served by the South Platte supply canal, Colorado-Big Thompson project (pp. 6428, 6505).
7. COMMITTEE ASSIGNMENTS. Sen. Burke was transferred from the D. C. Committee to the Government Operations Committee. Sen. Lennon was transferred from the Government Operations Committee to the Interior and Insular Affairs Committee. (p. 6427.)
8. O&C LAND. Sen. Knowland indicated that S. 2225, the O&C land jurisdiction bill, will be debated today, May 20 (p. 6463). Sen. Morse submitted an amendment which he intends to propose to the bill (p. 6471).

HOUSE

9. TREASURY-POST OFFICE APPROPRIATION BILL, 1955. Concurred in the Senate amendments to this bill, H. R. 7893 (pp. 6472-3). This bill will now be sent to the President.
10. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955. The Appropriations Committee reported without amendment this bill, H. R. 9203 (H. Rept. 1614) (p. 6506).
11. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendment H. R. 7468, to regulate foreign motor carriers while in this country (H. Rept. 1628) (p. 6506).

BILLS INTRODUCED

12. FARM LOANS. S. 3487, by Sen. Aiken, and H. R. 9207, by Rep. Hope, to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures; to Senate Agriculture and Forestry Committee and House Agriculture Committee, respectively (pp. 6430, 6506).
13. TARIFF RATES. H. R. 9210, by Rep. Neal, H. R. 9213, by Rep. Staggers, and H. R. 9217, by Rep. Lane, to amend the Tariff Act of 1930 so as to provide a permanent procedure for adjustment of tariff rates on a selective basis, to regulate the flow of imported articles on a basis of fair competition with domestic articles, etc.; to Ways and Means Committee (p. 6507).

COMMITTEE HEARINGS RELEASED BY GPO

14. FLAMMABLE FABRICS. S. 3379, to amend the Flammable Fabrics Act so as to exempt fabrics and wearing apparel which are not highly flammable. S. Interstate and Foreign Commerce Committee.
15. GRAIN. S. 602, rules for loading and storage of grain. S. Interstate and Foreign Commerce Committee.
16. HOUSING. S. 2889, S. 2938, and S. 2949, proposed Housing Act of 1954. Part 3.

So as to provide a ready market for the tin cartel, so that we may be at the mercy of foreign nations at the very hour when Asia is in flames, at an hour when we could possibly lose the greatest source of tin and rubber this Nation knows.

What would we do then? We would have to look to Bolivia to supply us with her ores, and look to this smelter to process them.

But no; we have a recommendation from some bureau saying that it is urgent to dispose of the smelter, to get rid of it quickly. "Let us hurry and destroy it." It is outrageous. It is shocking. It is astonishing.

The senior Senator from Texas is certainly going to urge by every means at his command that we act promptly on the resolution that will keep this vital defense installation in operation.

ADMINISTRATIVE JURISDICTION OF CERTAIN PUBLIC LANDS IN THE STATE OF OREGON—AMENDMENT

Mr. MORSE. Mr. President, tomorrow we shall be discussing Senate bill 2225, relating to the administrative jurisdiction of certain public lands in the State of Oregon, and for other purposes.

I send to the desk an amendment intended to be proposed by me to that bill, with the request that it be printed and lie on the table, so that it may be available to Members of the Senate tomorrow.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

RECESS

Mr. FERGUSON. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 25 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, May 20, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, May 19 (legislative day of May 13), 1954:

NATIONAL SCIENCE FOUNDATION

The following-named persons to be members of the National Science Board, National Science Foundation, for terms of 6 years expiring May 10, 1960:

Donald Hamilton McLaughlin, of California. (Reappointment.)

George Wilhelm Merck, of New Jersey. (Reappointment.)

Joseph Chandler Morris, of Louisiana. (Reappointment.)

William Vermillion Houston, of Texas.

James Bernard Macelwane, of Missouri.

Douglas Whitaker, of California.

Theodore Martin Hesburgh, of Indiana.

Roger Adams, of Illinois.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States, to the grade indicated, under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947:

TO BE BRIGADIER GENERAL

Col. George Wiltz Gardes, O28840, Judge Advocate General's Corps, United States Army.

Col. George William Hickman, Jr., O16420; Judge Advocate General's Corps, United States Army.

IN THE AIR FORCE

The following-named cadets, United States Military Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947); date of rank to be determined by the Secretary of the Air Force:

Thomas Jerome Abernathy
William DeFord Bathurst
Edward Cletus Bavaria
Richard Harvell Bentz
Kirk Fletcher Cockrell
James Helfrich Cronin
Robert Lee Geasland
Samuel Richard Harover III
James Gordon Higgs
Robert Andrew Kaiser
Ronald Kearney Knapp
Kevin Edward McKay
Ronald Eugene Morris
James Edward Moss
John Martin Neas
Joseph Allard Rude
William Thomas Sagmoen
Lem Davis Sugg, Jr.
John Edward Weaver
Emery Scott Wetzell, Jr.
Charles Everett Wilson

The following-named midshipmen, United States Naval Academy, for appointment in the Regular Air Force, in the grade of second lieutenant, effective upon their graduation, under the provisions of section 506, Public Law 381, 80th Congress (Officer Personnel Act of 1947); date of rank to be determined by the Secretary of the Air Force:

William Arthur Creager, Jr.
Donald David Deem
George Fred Heinrich
George Franklin Knotts
Raymond Rudolph Maestri
Francis James McCarthy, Jr.
Richard George Padberg
Doral Randolph Sandlin
Alton Lane Van Ausdal
Van Leon Vierbicky
James Bradford Whitehead

House of Representatives

WEDNESDAY, MAY 19, 1954

The House met at 12 o'clock noon.

The Very Rev. Edward J. Farrell, M. S., Ph. D., superior, La Salette Seminary and Shrine, Ipswich, Mass., offered the following prayer:

O Almighty God, eternal lawgiver, grant unto us Thy servants, here striving to make laws for this mighty Republic, grace and understanding to act aright. Show us that no law has any binding force unless it be in accord with Thine and sanctioned by Thee from whom all authority flows. Teach us that human plans cannot prevail if they run counter to Thy divine will. Help us therefore to seek not our own wills but Thine.

Thou who are the way, the truth, and the light deliver us from selfish interests which may cause our feet to stray to other paths, send Thy spirit down upon us that we may never listen to the siren voices of falsehood and deceit, illumine our minds that we may ever know right, truth, and justice. And then, O God, give us grace and courage to follow them. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 116. An act to amend title 18, United States Code, so as to prohibit the transportation of fireworks into any State in which the sale or use of such fireworks is prohibited.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2844) entitled "An act to amend the act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAPEHART, Mr. GOLDWATER, Mr. BENNETT, Mr. MAYBANK, and Mr. FULBRIGHT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of

the House to the bill (S. 2846) entitled "An act to amend certain provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, the Trust Indenture Act of 1939, and the Investment Company Act of 1940"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAPEHART, Mr. BUSH, Mr. BRICKER, Mr. IVES, Mr. FREAR, Mr. ROBERTSON, and Mr. SPARKMAN to be the conferees on the part of the Senate.

LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955

Mr. HORAN, from the Committee on Appropriations, reported the bill (H. R. 9203, Rept. No. 1614), which was read a first and second time, and, with accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. GARY reserved all points of order on the bill.

TREASURY AND POST OFFICE DEPARTMENTS, EXPORT - IMPORT BANK OF WASHINGTON, AND RECONSTRUCTION FINANCE CORPORATION APPROPRIATION BILL, 1955

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7893) making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 11, line 7, after "rewards", insert "for information."

Page 11, line 12, strike out "\$20,000,000" and insert "\$19,491,100."

Page 11, line 24, after "appropriations", insert "available to the Post Office Department."

Page 12, lines 1 and 2, strike out "for 'Administration' and for 'Operations'."

Page 12, line 14, after "\$702,219,000" insert "Provided, That the Post Office Department shall report not less than once every 3 months to the Committees on Appropriations of the Senate and House of Representatives all substantial transportation changes, such report to include the total cost of the eliminated and replacement service for airline, truck, and railroad transportation."

Page 14, line 13, strike out "\$1,000,000" and insert "\$5,000,000."

Page 14, line 18, after "purposes" insert "of which not to exceed \$4,000,000 shall be

available for improved lighting, color, and ventilation for the specialized conditions in workroom areas."

Page 17, after line 9, insert:

"Not to exceed \$50,000 of the fund available pursuant to section 409 of the Federal Civil Defense Act of 1950 (50 U. S. C. App. 2261), shall be available during the current fiscal year for administrative expenses necessary to carry out the functions, powers, duties, and authority of the Treasury Department under said section."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CANFIELD. Mr. Speaker, may I address myself to a résumé of the Senate amendments.

AMENDMENT NO. 1

This amendment, for clarity, adds the words "for information," making the phrase read: "and not to exceed \$20,000 for rewards for information, as provided herein shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate."

The \$20,000 mentioned in this limitation is to provide funds for use in obtaining information concerning violations of postal laws looking toward the apprehension of criminals, and is most essential in criminal investigations. It is the same amount as has been provided for the past several years.

AMENDMENT NO. 2

This amendment reduces the amount approved by the House from \$20 million by \$508,900 to \$19,491,100. In the bill as approved by the House funds were provided for an additional number of 150 inspectors at a cost of \$1,526,700 in excess of the cost of inspectors for the current fiscal year. The Senate bill reduces the number to 100 additional inspectors at a cost of \$1,017,800 in excess of the cost of inspectors for the current fiscal year, a reduction below the House figure of \$508,900.

AMENDMENTS NOS. 3 AND 4

These two amendments taken together clarify the purpose for which funds to improve administration and operations may, with the approval of the Bureau of the Budget, be transferred and made available to the Post Office Department, instead of only the two appropriation accounts of administration and operations.

AMENDMENT NO. 5

This amendment, suggested by the Senate, requires the Post Office Department to report not less than once every 3 months to the House and Senate Committees on Appropriations on all substantial transportation changes. This will permit the committees and their staffs to keep informed in this field.

AMENDMENTS NOS. 6 AND 7

These two amendments are to clarify the intent of section 206 and make certain that the funds intended and necessary to perform the work it is planned for the General Services Administration to do for the Post Office Department may be so used, providing that \$4 million of the funds carried in the appropriation for facilities will be used for the purposes set out in the justifications appearing in the table on page 344 of the House hearings.

AMENDMENT NO. 8

This amendment although not included in the House version of the bill was included in the President's budget as submitted to the Congress. There was some thought at the time the bill was considered in the House that this item for Federal Civil Defense should be considered by another subcommittee of the Committee on Appropriations, but by the time the bill was considered by the Senate that doubt had been resolved and it was thought proper to place the item in this bill. The members of the committee agree with this.

In accordance with section 104 of the Reconstruction Finance Corporation Liquidation Act, all of the functions of the Reconstruction Finance Corporation under section 409 of the Federal Civil Defense Act were transferred to the Secretary of the Treasury on September 28, 1953. The Secretary of the Treasury is authorized to purchase securities or make loans to aid in financing projects for civil defense purposes upon certification by the Federal Civil Defense Administrator. At the close of fiscal year 1953, loans totaling \$5,718,000 had been authorized, and \$1,168,000 of this amount had been disbursed. All of the loans authorized have been to assist in financing the construction of hospitals.

It is estimated that loans totaling \$1 million will be authorized in each of the fiscal years 1954 and 1955. On December 31, 1953, there were 15 applications for amounts totaling \$15,700,000 being considered under this program. Administrative expenses are estimated at \$50,000 for fiscal year 1955.

Mr. Speaker, may I also say with reference to an inquiry just propounded by the distinguished gentleman from Massachusetts [Mr. HESLTON], asking if there are any funds in the Post Office appropriations for the new fiscal year for the payment for commercial air transportation of military mail by the United States and foreign countries, the answer is in the negative. There are no funds for this purpose in this bill. The Post Office Department delivers mail to the various APO offices in our country, such as New York and San Francisco, and the responsibility from there on rests with the Defense Establishment.

Mr. Speaker, I am very proud of my subcommittee and the record it has made these last 2 years. Last year, you may recall, the House passed the Treasury-Post Office appropriation bill just as it was reported from our committee. It was so accepted by the Senate Committee on Appropriations and the Senate

itself approved the bill without any change in any item or any dollar figure whatever. The bill went to the President without conference.

This year, as it is indicated in the proceedings today, the Senate made only one change in dollar figures, reducing the appropriations for the Post Office Department as passed by the House by \$508,900. The other Senate amendments were in the nature of clarification excepting that which had to do with the RFC functions delegated to the Treasury Department in connection with the financing of hospital projects for civil defense purposes. This was a matter never considered by the House.

The Democratic members of our Subcommittee on Treasury-Post Office Appropriations, over which I am privileged to preside as chairman, are Representatives GARY, of Virginia; PASSMAN, of Louisiana; and SIEMINSKI, of New Jersey. Republican members are Representatives WILSON, of Indiana; JAMES, of Pennsylvania; and VURSELL, of Illinois. They make up a group of truly dedicated Congressmen and their handiwork speaks for itself.

In closing, may I also pay a most deserved tribute to our very worthy executive clerk, Mr. Robert E. Lambert, who has an extraordinary record of faithful service in congressional offices and committees on Capitol Hill for almost 35 years. The precedents our committee established in the last 2 years are due in no little part to Bob Lambert's day and night application to his assignment. All of us are very proud of him.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

(Mr. CANFIELD asked and was given permission to extend his remarks on the conference report just agreed to at the point in the RECORD prior to concurrence in Senate amendments.)

REPUBLIC OF SOUTH KOREA

(Mrs. ST. GEORGE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ST. GEORGE. Mr. Speaker, we supported South Korea with blood and treasure and proclaimed her President Syngman Rhee as one of the modern world's great patriots. Yet, of late, we have allowed ourselves to become disinterested, nay almost critical of our South Korean friends.

How did this come about? Is it that we are spread too thin, that we have to leave Korea to look after Indochina? Surely this is no way to build a solid basis on which to anchor strong Asiatic policy, that can withstand communism.

In the days of her greatness as an empire, England always chose a strong friend and ally and then supported him to the fullest extent. We would do well to follow this example.

In President Rhee, we have a friend and a leader of his own people, who is strongly opposed to communism, who understands the West. Let us hold up his hands at this time and not quibble

about unimportant differences that may play into the hands of our enemies.

There are some sweeping amendments to the Korean Constitution, four in number, that will do much to bring South Korea to a free enterprise system. They would enable private capital, under reasonable safeguards, to invest in and develop the vast resources of the country. They would also relieve the South Korean and American taxpayers of the vast burden they are now carrying. They would also fit in with our concept that the free enterprise system is best and that government should only take over when this free system has failed.

Let us be fair and admit that, perhaps through no fault of ours, we have not given South Korea much of an example of free enterprise at work. We have voted \$200 million as a start for the rehabilitation of Korea but that is far from the amount that we propose to spend there. For a population of 20 million, whose average annual income is \$60, these are pretty sizable sums. The money is being handled by a host of agencies, civil and military, with the usual alphabetical prefixes. I counted 48 of them but the number changes from day to day so that figure need not be taken too literally, though it is likely to be larger rather than smaller.

After I talked to Mr. Rhee, it was quite evident that he was baffled and confused by these many friends, in fact he implied that he thought they got in each other's way and were accomplishing very little. Here again, one is tempted to ask: Would it not be better to lend the money, at interest and ask for collateral—such as the tungsten mines of which South Korea has the biggest outside of the Iron Curtain—than spend it as we are? Here, once more, our lack of moderation does us much harm. One minute we give these friends of ours more than they want or need and the next we are annoyed at what we consider their lack of appreciation.

These 48, or more, agencies are under the Army, the United Nations and the United States civilian Government. Some are good, some indifferent, and some bad. The Koreans themselves believe that the Army, on the whole, has done the best job. This corresponds to my own observations both in Germany, Japan, and Korea. The Army seems better fitted to handle occupied foreign lands than the civilian agencies. Also, the citizens of these occupied countries have the firm conviction that eventually the Army will go home. They are fearful that the civilians will be with them forever.

These amendments mentioned above have the support and approval of President Rhee, and that is another reason why, in these critical times, we must extend the hand of friendship and of help to him and his sorely beleaguered and discouraged people. We can uphold him and his country, or, through lack of understanding, we can let him disappear into the oblivion that so many of our friends have been allowed to go into. Let us not make this mistake again. Let us stop trying to save the weak and the mean, and help the strong man that

with faith and conviction will help himself and us. Let us send a word of comfort and of cheer to these friends who are trying to withstand the flood of Communist oppression in Asia. Let us give them our whole-hearted friendships, ready to overlook slight differences, in the knowledge that our ultimate goal is the important thing, and that we can go down the road to ultimate victory, only if we stick together.

CAPITOL ROTUNDA ILLUMINATION PROCEEDINGS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 234 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the proceedings, held in the rotunda of the United States Capitol at the illumination of the new portion and dedication of the historic frieze, be printed, with appropriate illustrations, in such form and style as may be directed by the Joint Committee on Printing, as a House document; and that 5,000 copies be printed, of which 4,000 copies shall be for the use of the House of Representatives and 1,000 copies shall be for the use of the Senate.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. CURTIS of Missouri asked and was given permission to address the House tomorrow for 30 minutes, following any special orders heretofore entered.

DREDGE THE MERRIMACK TO STIMULATE INDUSTRY AND COMMERCE

(Mr. LANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANE. Mr. Speaker, now that the giant St. Lawrence project is on its way, one that may well be of greater use to Canada than the United States, perhaps there is room to consider far less expensive river developments that will come to the aid of our labor-surplus areas.

The Merrimack is one of the two largest river valleys in Massachusetts. It is vital to the economy of New England.

While stupendous sums have been appropriated through the years to improve river systems throughout the Nation, close to nothing has been expended on the Merrimack.

Ever since the turn of the century, the people of this industrial valley have tried to secure some assistance from the Federal Government in order to make the broad river navigable.

Waterborne fuels and raw materials, transported directly and at low cost to the factories on the banks of the Merri-

mack, would do much to improve our competitive position.

We in northeastern Massachusetts are going through a difficult period of economic transition.

We must acquire growth industries to replace those that have migrated, or have gone out of business.

To attract these replacement industries, it is essential that we offer low-cost advantages, particularly in the field of transportation.

Many surveys of the Merrimack have been made. All the preliminary work has been done. Only the follow-through has been lacking to make the Merrimack efficiently serve the economy of this region.

We are making a modest but a necessary request at this time. Much as we need a complete program of river development to control floods, eliminate pollution, to provide for the improvement of forest reserves, recreational grounds, parks, highways, and the preservation of wildlife, we know that the Federal Government is opposed to helping New England on a scale comparable to that enjoyed by other regions.

We do believe, however, because we are a part of the Federal Union, that we are entitled to some consideration.

Especially when the small projects we request are indispensable to the economic rehabilitation of labor-surplus areas.

We are asking that the Merrimack River be dredged to a navigable depth, from Lawrence, Mass., to the sea, a distance of some 20 miles, so that coal and oil and raw materials that are not native to Massachusetts may be brought right to our factories at reasonable cost, as an inducement to new industries that we need to put our unemployed to work, and to reinvigorate productive activity throughout our communities.

Responsible local groups are doing much.

They cannot do all.

If the Federal Government refuses to provide auxiliary aid, within its authority and its capabilities, it is letting down one section of the Nation in favor of another.

The Tennessee Valley Authority, and now the St. Lawrence seaway, together with many other lesser developments, are huge in scope compared with the little that we ask.

If I may say so, our need is much greater.

It is the elementary necessity of creating jobs for the unemployed and customers for business.

We want a channel, so that barges and small tankers and shallow-draft vessels may be able to come from the Atlantic Ocean and travel the few extra miles to Lawrence, bringing the materials to feed industrial recovery and progress.

I have filed today the bill I ask you to support, which provides for dredging a short stretch of the Merrimack River, to make it navigable for the service of trade, commerce, and industry.

A moderate public investment by the United States that will reap substantial gains in terms of economic revival, and employment for displaced workers.

WHY SO MUCH SECRECY?

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, a week ago the chairman of the House Committee on Banking and Currency advised the members of that committee that on Friday, May 14, the former member of the committee who is now the Housing and Home Finance Administrator, Mr. Albert Cole, would appear before the committee to discuss the situation in FHA with regard to title I, home repair loans, and section 608, rental housing mortgages.

At that time, I stated the view that this matter should be investigated in public hearings before the House Banking Committee. During the discussion, when it became apparent that not only were Mr. Cole, others from his agency and from the Department of Justice to appear in sessions from which the public was to be excluded but also that no record was to be made of the proceedings, I protested this practice also.

On last Friday when the committee met in executive session, as announced in the usual fashion by a postcard bearing the name of the chairman, I moved that a transcript of the proceedings be kept. This motion was defeated by a rollcall vote.

Today I moved that the House Committee on Banking and Currency investigate the FHA in public hearings. My motion was defeated. I made these two motions because of my conviction that the FHA scandals are important public business and that the House of Representatives has a responsibility to the American people in this matter.

Frankly, I see how reasonable men can differ over whether or not such an investigation should be undertaken by our committee now but, I submit that there simply is not a valid reason for failing to maintain a stenographic transcript of the proceedings. Why should not a transcript have been maintained if only for the committee records?

STAR-CHAMBER PROCEEDINGS ON THE HOUSING BILL

(Mr. MULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MULTER. Mr. Speaker, I shall adhere to the rule of the House and not refer to the specifics of what is being done in the executive sessions of the Committee on Banking and Currency of the House. I must, however, refer to its most unusual proceedings and how I hope to correct its precedent-shattering cloak of secrecy.

I am today introducing a resolution which will direct the Committee on Banking and Currency of the House to cease its star-chamber proceedings and to conduct public hearings with reference to the Housing Act, and to give particular attention to the scandals under title I, which has to do with home repairs and modernization and to mort-

Public Law 374 - 83d Congress

Chapter 242 - 2d Session

H. R. 7893

AN ACT

All 68 Stat. 144.

Making appropriations for the Treasury and Post Office Departments, Export-Import Bank of Washington, and Reconstruction Finance Corporation for the fiscal year ending June 30, 1955, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TREASURY DEPARTMENT

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department for the fiscal year ending June 30, 1955, namely:

Treasury, Post Office, Export-Import Bank, and RFC appropriations, 1955. Treasury Department Appropriation Act, 1955.

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses in the Office of the Secretary, including the operation and maintenance of the Treasury Building and Annex thereof; and the purchase of uniforms for elevator operators; \$2,600,000.

BUREAU OF ACCOUNTS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Accounts, \$2,548,700: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the deposit of taxes in Government depositories.

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, \$14,500,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt or currency issues of the United States, \$44,997,300, to be expended as the Secretary of the Treasury may direct, and the Secretary is authorized to accept services without compensation: *Provided*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of public-debt transactions for the account of the Secretary of the Treasury: *Provided further*, That the indefinite appropriation provided by section 10 of the Second Liberty Bond Act, as amended (31 U. S. C. 760), shall not be available for obligation during the current fiscal year.

40 Stat. 292.

OFFICE OF THE TREASURER

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, \$15,499,000: *Provided*, That Federal Reserve banks and branches may be reimbursed for necessary expenses incident to the verification and destruction of unfit United States paper currency.

BUREAU OF CUSTOMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Customs, including expenses of attendance at meetings of organizations concerned with the purposes of this appropriation; purchase of fifty passenger motor vehicles for replacement only; arms and ammunition; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); and, awards of compensation to informers as authorized by the Act of August 13, 1953 (22 U. S. C. 401); \$39,996,300.

60 Stat. 810.

67 Stat. 577.

INTERNAL REVENUE SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including expenses, when specifically authorized by the Commissioner, of attendance at meetings of organizations concerned with internal-revenue matters; purchase (not to exceed one hundred for replacement only) and hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and of expert witnesses at such rates as may be determined by the Commissioner; and ammunition; \$265,912,000: *Provided*, That not to exceed \$400,000 of the amount appropriated herein shall be available for expenses by contract for private facilities and instruction for training of employees under such regulations as may be prescribed by the Secretary of the Treasury.

60 Stat. 810.

BUREAU OF NARCOTICS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Narcotics, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); hire of passenger motor vehicles; arms and ammunition; and not to exceed \$10,000 for services or information looking toward the apprehension of narcotic law violators who are fugitives from justice; \$2,770,000.

60 Stat. 810.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed ten for replacement only) and hire of passenger motor vehicles; and arms and ammunition; \$2,438,000.

SALARIES AND EXPENSES, WHITE HOUSE POLICE

For necessary expenses of the White House Police, including uniforms and equipment, and arms and ammunition, purchases to be made in such manner as the President may determine, \$712,000.

SALARIES AND EXPENSES, GUARD FORCE

For necessary expenses of the guard force for Treasury Department buildings in the District of Columbia, including purchase, repair, and cleaning of uniforms; and arms and ammunition; \$268,000.

BUREAU OF THE MINT

SALARIES AND EXPENSES

For necessary expenses of the Bureau of the Mint, including arms and ammunition; purchase and maintenance of uniforms and accessories for guards; and not to exceed \$1,000 for the expenses of the annual assay commission; \$4,450,000.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; and recreation and welfare; \$155,889,300: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and twenty-six exclusive of planes and parts stored to meet future attrition: *Provided further*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1954 for "Operating expenses" shall be transferred on July 1, 1954, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims; (b) amounts equal to the unliquidated obligations on July 1, 1954, against the appropriation "Operating expenses", fiscal year 1954, and the appropriation for "Operating expenses" for the fiscal year 1953 which was merged therewith pursuant to the Treasury Department Appropriation Act, 1954, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation, but on July 1, 1955, there shall be transferred from such merged appropriation to the appropriation for payment of certified claims (1) any remaining unexpended balance of the 1953 appropriation so transferred, and (2) any remaining unexpended balance of the 1954 appropriation so transferred which is in excess of the obligations then remaining unliquidated against such appropriation: *Provided further*, That except as otherwise authorized by the Act of September 30, 1950 (20 U. S. C. 236-244), this appropriation shall be available for expenses of primary and secondary schooling for dependents of Coast Guard personnel stationed outside the continental United States in amounts not exceeding an average of \$250 per student, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and the Coast Guard may provide for the transportation of said dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto; and services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a); \$3,000,000, to remain available until expended: *Provided*, That the Secretary may transfer into this appropriation not to exceed \$2,000,000 from

60 Stat. 810.

Transfer of
funds.

63 Stat. 407.

31 USC 712a
note.

67 Stat. 69.

64 Stat. 1100.

60 Stat. 810.

Transfer of
funds.

other Coast Guard appropriations for the replacement of one additional seaplane, such funds transferred to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor incurred during prior fiscal years, and payments under the Uniformed Services Contingency Option Act of 1953, \$19,775,000.

67 Stat. 501.
37 USC 371 note.

RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law (14 U. S. C. 751-762; 37 U. S. C. 231-319), including expenses for regular personnel, or reserve personnel while on active duty, engaged primarily in administration of the reserve program; and the maintenance, operation, and repair of aircraft; \$2,500,000: *Provided*, That (a) the unobligated balance of appropriation to the Coast Guard for the fiscal year 1954 for "Reserve training" shall be transferred on July 1, 1954, to the account established by the Surplus Fund-Certified Claims Act of 1949 for payment of certified claims (b) amounts equal to the unliquidated obligations on July 1, 1954, against the appropriation "Reserve training", fiscal year 1954, and the appropriation "Reserve training", fiscal year 1953 which was merged therewith pursuant to the Treasury Department Appropriation Act, 1953, shall be transferred to and merged with this appropriation, and such merged appropriation shall be available as one fund, except for accounting purposes of the Coast Guard, for the payment of obligations properly incurred against such prior year appropriations and against this appropriation, but on July 1, 1955, there shall be transferred from such merged appropriation to the appropriation for payment of certified claims (1) any remaining unexpended balance of the 1953 appropriation so transferred and (2) any remaining unexpended balance of the 1954 appropriation so transferred which is in excess of the obligations then remaining unliquidated against such appropriation.

SEC. 102. This title may be cited as the "Treasury Department Appropriation Act, 1955".

Citation of title.

Post Office Department Appropriation Act, 1955.

TITLE II—POST OFFICE DEPARTMENT

For administration and operation of the Post Office Department and the postal service, there is hereby appropriated the aggregate amount of postal revenues for the fiscal year ending June 30, 1955, as authorized by law (39 U. S. C. 786, 794a), together with an amount from any money in the Treasury not otherwise appropriated, equal to the difference between such revenues and the total of the appropriations hereinafter specified and the sum needed may be advanced to the Post Office Department upon requisition of the Postmaster General, for the following purposes, namely:

64 Stat. 461.

CURRENT AUTHORIZATIONS OUT OF POSTAL SERVICE FUND

ADMINISTRATION

For expenses, not otherwise provided for, necessary for administration of the postal service, operation of the inspection service, and the conduct of a research and development program, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a);

60 Stat. 810.

management studies; not to exceed \$25,000 for miscellaneous and emergency expenses; rewards for information and services concerning violations of postal laws and regulations, current and prior fiscal years, in accordance with regulations of the Postmaster General in effect at the time the services are rendered or information furnished; and expenses of delegates designated by the Postmaster General to attend meetings and congresses for the purpose of making postal arrangements with foreign governments pursuant to law, and not to exceed \$6,000 of such expenses to be accounted for solely on the certificate of the Postmaster General; and not to exceed \$20,000 for rewards for information, as provided for herein, shall be paid in the discretion of the Postmaster General and accounted for solely on his certificate; and settlement of claims, pursuant to law, current and prior fiscal years, for damages, and for losses resulting from unavoidable casualty (39 U. S. C. 49) ; \$19,491,100.

59 Stat. 603.

OPERATIONS

For expenses necessary for the operation and administration of post offices, not otherwise provided for, and for other activities conducted by the Post Office Department pursuant to law, \$1,899,776,000: *Provided*, That not to exceed 5 per centum of any appropriation available to the Post Office Department for the current fiscal year may be transferred, with the approval of the Bureau of the Budget, to any other such appropriation or appropriations; but the appropriation "Administration" shall not be increased by more than \$2,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations.

TRANSPORTATION

For expenses necessary for the administration and operation of the postal transportation service, including payments for transportation of domestic and foreign mails by air, land, and water transportation facilities, including current and prior fiscal years settlements with foreign countries for handling of mail; \$702,219,000: *Provided*, That the Post Office Department shall report not less than once every three months to the Committees on Appropriations of the Senate and House of Representatives all substantial transportation changes, such report to include the total cost of the eliminated and replacement service for airline, truck, and railroad transportation.

FINANCE

For expenses necessary for the administration of the financial services of the Post Office Department, including the procurement of stamps and accountable paper; \$8,501,000.

FACILITIES

For expenses necessary for the administration and operation of postal facilities, buildings, vehicles, and field postal communication service; procurement of postal supplies and equipment; storage and repair of vehicles owned by, or under control of, units of the National

Guard and departments and agencies of the Federal Government where repairs are made necessary because of utilization of such vehicles in the postal service; \$124,890,000.

GENERAL PROVISIONS—POST OFFICE DEPARTMENT

- Accident prevention. SEC. 201. Appropriations made in this title shall be available for expenditures in connection with accident prevention.
- Travel expenses. SEC. 202. Appropriations made in this title available for expenses of travel shall be available, under regulations prescribed by the Postmaster General, for expenses of attendance at meetings of technical, scientific, professional, or other similar organizations concerned with the function or activity for which the appropriation concerned is made.
- Training programs. SEC. 203. During the current fiscal year, and under such regulations as may be prescribed by the Postmaster General, not to exceed an aggregate of \$100,000 shall be available from any funds available to the Post Office Department, as may be determined by him, for expenses necessary to enable the Department to participate in Federal or non-Federal training programs and for necessary expenses of training officers and employees (both departmental and field postal services) in such subjects or courses of instruction in either Federal or non-Federal facilities as will contribute to the improved performance of their official duties: *Provided*, That not more than forty-five of such officers and employees may participate in any training program in a non-Federal facility which is of more than ninety days duration.
- Lost or damaged mail, etc. SEC. 204. Hereafter, indemnities for the loss of or damage to registered, insured and collect-on-delivery mail and the expense of manufacturing embossed stamped envelopes (printed or unprinted) shall be paid from postal revenues.
- Money orders. SEC. 205. Hereafter, money orders shall be paid from the receipts representing the face value of money orders heretofore or hereafter issued.
- Property improvement. SEC. 206. Not exceeding \$5,000,000 of appropriations in this title shall be available for payment to the General Services Administration of such additional sums as may be necessary for the repair, alteration, preservation, renovation, improvement, and equipment of federally owned property used for postal purposes of which not to exceed \$4,000,000 shall be available for improved lighting, color, and ventilation for the specialized conditions in workroom areas.
- Citation of title. SEC. 207. This title may be cited as the "Post Office Department Appropriation Act, 1955".

Export-Import Bank of Washington and Reconstruction Finance Corporation Appropriation Act, 1955.
61 Stat. 584.
31 USC 849.

TITLE III—GOVERNMENT CORPORATIONS

The following corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1955 for such corporation, except as hereinafter provided:

EXPORT-IMPORT BANK OF WASHINGTON

LIMITATION ON EXPENSES

Not to exceed \$1,070,000 (to be computed on an accrual basis) of the funds of the Export-Import Bank of Washington shall be available during the current fiscal year for all administrative expenses of the bank, including services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) : *Provided*, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, shall be considered as nonadministrative expenses for the purposes hereof. 60 Stat. 810.

RECONSTRUCTION FINANCE CORPORATION

The Treasury Department is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to it from Reconstruction Finance Corporation activities, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the fiscal year 1955 for each such activity, except as hereinafter provided: 61 Stat. 584.
31 USC 849.

ADMINISTRATIVE EXPENSES OF LIQUIDATING THE RECONSTRUCTION
FINANCE CORPORATION

Not to exceed \$3,500,000 (to be computed on an accrual basis) of the funds derived from Reconstruction Finance Corporation activities (except those conducted under Section 409 of the Federal Civil Defense Act of 1950), shall be available during the current fiscal year for administrative expenses incident to the liquidation of said Corporation, including use of the services and facilities of the Federal Reserve banks: *Provided*, That as used herein the term "administrative expenses" shall be construed to include all salaries and wages, services performed on a contract or fee basis, and travel and other expenses, including the purchase of equipment and supplies, of administrative offices: *Provided further*, That the limiting amount heretofore stated for administrative expenses shall be increased by an amount which does not exceed the aggregate cost of salaries, wages, travel, and other expenses of persons employed outside the continental United States; the expenses of services performed on a contract or fee basis in connection with the termination of contracts or in the performance of legal services, and all administrative expenses reimbursable from other Government agencies: *Provided further*, That the distribution of administrative expenses to the accounts of the Corporation shall be made in accordance with generally recognized accounting principles and practices. 64 Stat. 1257.
50 USC app.
2261.
Definition.

Not to exceed \$50,000 of the funds available pursuant to section 409 of the Federal Civil Defense Act of 1950 (50 U. S. C. App. 2261), shall be available during the current fiscal year for administrative

68 Stat. 150.

68 Stat. 151.

Citation of
title.

expenses necessary to carry out the functions, powers, duties, and authority of the Treasury Department under said section.

SEC. 301. This title may be cited as the Export-Import Bank of Washington, and Reconstruction Finance Corporation Appropriation Act, 1955.

TITLE IV—GENERAL PROVISIONS

Strikes or over-
throw of
Government.

Affidavit.

Penalty.

SEC. 401. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not contrary to the provisions of this section engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation or fund contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Approved May 28, 1954.